PARIS, MONDAY MARCH 14, 1988

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ESTABLISHED 1887

Shamir

Tempers

Defiance

"Common Ground"

Is Still Possible on

Shultz Peace Plan

By Glenn Frankel

Hartington Post Service
JERUSALEM — Yitzhak Sha-

mir, striking a concitiatory tone, said he still sees "a large common

ground" between himself and the

Reagan administration on the issue of Middle East peace. Mr. Shamir planned to leave for Washington

on Sunday hoping to aven a show-down over the new U.S. diplomatic

At other times in revent days.

Israel's embattled prime minister

has spoken in harsh, defiant terms of the new U.S. proposals being pressed by Secretary of State

George P. Shultz. He has character-

ized them at meetings with his

right-wing supporters as "a surren-

der to the rioters" who have staged

a three-month uprising of Palestin-

ians in the tsraeli-occupied West

The U.S. initiative, Mr. Shamir

told his Likud legislative faction,

"contradicts not only everything

the United States advocated previously, but everything the secretary

himself advocated previously.

And he characterized his critics in

Congress and among American Jewish leaders as "fair-weather

friends" whose attacks only aided

[Thousands of Israelis crowded

into Tel Aviv's main square on

Sunday to support Mr. Shamir's rejection of the U.S. peace plan as he left far Washington, Reuters re-

[Organizers of the rally estimated the crowd at 250,000, twice the

size of a rally Saturday in the same

place that urged Mr. Shamir to ac-

cept the peace plan.
[In Washington, nearly 2,000 demonstrators, chanting "Pulestine Yes, Oppression No" and "Long

Live the PLO," protested in front of the White House on Sunday

against Israel's military rule of the

occupied territories, United Press International reported.

In an interview on Thursday that his office stipulated should not be

released until Sunday, Mr. Shamir took a much softer stance, dismiss-

ing his differences with Washington and American Jewry as "a mis-understanding among friends, and t think it's not difficult to settle this

misunderstanding."
Eveo if he and the Reagan ad-

"elements hostile to Israel."

poned from Tel Aviv.

Bank and Gaza Strip.

initiative.

No. 32,673

Miami, Rome, Tokyo.

Soviet Missile Subs **Shift Patrol Focus** To Europe's Waters

By John H. Cushman Jr. New York Times Service WASHINGTON - The Soviet

Union recently has stopped assigning nuclear missile submarines to patrol off the Atlantic coast of the United States, according to the director of U.S. naval intelligence, and is diverting them to European waters instead:

The move appears intended to compensate for the loss of landbased SS-20 medium-range nuclear missiles targeted against Europe, Rear Admiral William O. Studeman told the House Armed Services scapower subcommittee. Those missiles are to be destroyed under terms of the new arms control agreement signed by the United States and the Soviet Union. Admiral Studeman's testimony, at a closed hearing March 1, was released by the Pentagon.

While the admiral said the shift - in submarine operations would leave the strategie balance between the United States and the Soviet Union "essentially unchanged," it represents the first concrete sign of how the Soviet Union will adjust its nuclear forces once the treaty takes

In an interview with The Associated Press in Belgium, General John R. Galvin, the NATO commander, said Soviet moves to reorganize its missile forces had been expected and did not violate the

> The United States is expected to compensate in similar ways, such as shifting other weapons to cover important targets.

> Without providing details, General Galvin, an American, said the

> > By Jackson Diehl

DIRECTO conomic and political system.

As he flies from Moscow to Belgrade on Monday, the Soviet leader

into a political gridlock.

NEWS ANALYSIS

led to an explosion of nationalist

DISCOVE

Yugoslavia Parallels

May Haunt Gorbachev

Soviet Union would take missiles that were aimed in another direction and aim them toward Western

Admiral Studeman said the Soviet Union could continue to aim nuclear weapons at European targets by relying on the submarines, which carry the NATO code name "Yankee," and by deploying cruise missiles on ships and submarines in waters near Europe.

"Yankee submarines have not patrolled off the U.S. coasts since late 1987," Admiral Studeman said. He said they instead are patrolling in waters near Europe.

The Soviet Union usually keeps two or three Yankee submarin two or three Yankee submarines, which are among its oldest missile-carrying vessels, operating in the Atlantic, about 1,000 miles (1,600 kilometers) or more from the United States.

in October 1986, one of the submarines caught fire and sank in the operating area.

Each Yankee suhmarine can carry 16 nuclear-tipped SS-N-6 mis-siles, with a range of up to 1,800

The admiral estimated that about 500 missile warheads could be assigned to targets in Europe and Asia from Yankee submarines.

But if another arms control treaty sharply cutting the numbers of long-range nuclear missiles is signed, the Yankees probably would be retired, be said. Under a proposed agreement, the Russians probably would reduce the number of its missile-carrying submarines

See DEPLOY, Page 4



ARMENIANS RALLY IN MOSCOW — With a banner reading "Karabakh was Moscow to demand that the Nagorno-Karabakh region, now attached to the and will be Armenian," hundreds of Armenians gathered Sunday at a cemetery in Azerbaijan Republic in Soviet Central Asia, be restored to Armenian control.

For '88 Front-Runners, Caution Has Its Rewards

By Paul Taylor

WASHINGTON - Woody Hayes, the legendary football coach at Ohio State University, never managed a presidential campaign, but his gift to strategic doctrine -"three yards and a cloud of dust"

has been adapted to great effect
by the leading Republican and

Democratic candidates this year.
Vice President George Bush and
Governor Michael S. Dukakis of Massachusetts are both steady, honorable, nonflashy public servants who know how to make large

tred and violence between ethnic both have run their campaigns just

ing a less conclusive lead in a much also suggest an electorate that is troubled about the nation's economic future, but has not heard anyone come up with a convincing fix and has decided that the best

Out on the stump, Mr. Bush and Mr. Dukakis excite no passion.

campaign in January when he be-gan delivering his America-first

ity, repressed national aspirations among the country's six republics.
This was particularly true in Kosovo, which was dominated by Serbian authorities and police even though ethnic Albanians formed a large majority of the popolation. Albanians, who differ from Serbians in language, religion and cul-

nare, suffered systematic discrimi-nation by the party bureaucracy. Meanwhile, Stalinist economic policy set the stage for disaster. Yugoslavia, like the Soviet Union,

of state. All were candidates who one of the lessons that President offered boldness, either in their po- Jimmy Carter's failed bid for relicy proposals or in their temperament, persons and world view.

Not Mr. Bush and Mr. Dukakis.

Their speeches steer away from solutions. They offer no gold stan-

One reason for this avoidance of

ingly, they are silent on the whole doesn't hide, it competes."

These common chords resound hand-wringing hyperbole may be for protectionism. Despite their that both are politicians who have dissimilar backgrounds, both men ness at least as much as they care felt the sting of electoral defeat, had similar values drummed into about direction and results, and That experience sensitized them to them by strong parents: Always

election left for would-be presidents: In the United States, misery Mr. Dukakis has always wanted

to tidy up the process, on the faith that good process makes good re-sults. In his first term, he did not Dukakis say about a natioo that want legislators to have low liceose-plate numbers, on the ground that it was not fair. He conducted all cabinet meetings in

seems to be losing pre-eminence in the world economic order? Mr. Bush: "I believe Americans

cominating delegates.

press ahead, never ask for more the open. He would not appoint than your share, always be fair to supporters in high office.

After all this virtue, plus tax increases and program cuts made necessary by a huge inherited budget deficit, the voters kicked him

Mr. Dukakis won the governor-ship again in 1982 and has been a See RACE, Page 2

Jackson Triumphs in South Carolina

COLUMBIA, South Carolina -Jesse L. Jacksoo has triumphed decisively in the battle for South Carolina's 44 Democratic presidential

Mr. Jackson woo 54 percent of the vote in Saturday's caucuses, folthe vote in Saturday's caucuses, followed by Senator Albert Gore Jr. if he loses Tuesday's Illinois primawith 18 percent; Governor Michael ry to Vice President George Bush.

S. Dukakis at 7 percent, Represen-

tative Richard A. Gephardt at 2 percent; and Senator Paul Simon at .less than I percent. Nioeteen percent of the vote was uncommitted. Mr. Jackson was expected to get 23

delegates, Mr. Gore 6. Senator Bob Dole vowed Sunday

Spain Offers to Provide Safe Haven for Noriega

By John M. Goshko

Washington Post Service
WASHINGTON — In a gesture intended to help resolve the Panamanian political crisis, Spain has told the United States it would give asylum to Panama's de facto leader, General Manuel Antonio Noriega, but he so far has refused to go into exile in Spain or another country, diplomatic sources said.

The sources said José Antonio Yanez, principal foreign policy adviser to Prime Minister Felipe González of Spain, made the offer during three days of unpublicized talks in Washington last week with Panamanian opponents of General Noriega and in a separate meeting with Elliott Abrams, U.S. assistant secretary of state for inter-Ameri-

In his talk with Mr. Abrams, Mr. Yanez is understood to have said that the offer depends on U.S. agreement not to seek General Noriega's extradition from Spain to face the narcotics trafficking indictments returned against him last month by two federal grand juries in Florida. U.S. officials have not ruled out the possibility of such an arrangement, the sources said. Spain also has insisted that the United States make clear that any

ministration cannot agree, Mr. Shamir insisted, he was confident deal involving General Noriega's exile is not part of an effort to abrogate the 1978 Panama Canal that relations between Israel and the United States would not be damaged. If Mr. Shultz refuses to Treaties, which will give Panama control over the canal in 1999. [In Madrid on Sunday, Mr.

Yanez confirmed that Spain would be prepared to grant asylum to General Noriega if he stepped down. Reuters reported.]

The indictments have become a major obstacle to the U.S. effort in break General Noriega's grip on rangma by inducing him to give up command of the Panamanian Defense Forces and leave the country.

General Novince Transport General Noriega reportedly lears Sell Iran Jets courts will pursue him.

U.S. officials privately acknowledge that public opinion and congressional pressure prevent the Reagan administration from

quashing the indietments. In recent days, however, there has been speculation in Panama and in exile opposition circles about the possibility of an arrange-ment by which the United States would not actively pursue efforts in extradite General Noriega.

Diplomats and Panamanian sources there indicated that efforts See PANAMA, Page 4

change his position during their meetings this week. Mr. Shamir See SHAMIR, Page 4 U.S. Worried

New York Tong Series WASHINGTON — U.S. mffcials were reported to be concerned that China may be on the verge of selling F-7 fighter planes, a Chi-nese-produced version of the Soviet MiG-21, to Iran.

U.S. intelligence agencies are watching anxiously to see whether China's recent pledge to end deliveries of Silkworm anti-ship missiles to Iran will be expanded to include a cutoff of anticipated sales of sev-

eral other types of weapons. Government officials said that the Chinese foreign minister. Wu Xueqian, had pledged during a visit to Washington last week to end sales of Silkworms, which are capable of striking ships passing through the Strait of Hormuz at one end of the Gulf and have been

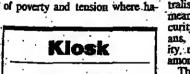
See CHINA, Page 4

Murray Weiss, **Ex-IHT Editor.** Is Dead at 64

Murray M. Weiss, 64, editor of the International Herald Tribuoe from 1966 to 1979, died on Saturday in Arlington,

Mr. Weiss, known to Iriends as Buddy, was the first editor of the newspaper now known as the International Herald Tribune. He came to Paris in 1966 as editor of the European edition of the New York Herald Tribune. A year later, it changed its name and its own-

ership and became the IHT. A decade ago, in March 1978, Mr. Weiss led the newspaper through its transition to the computer-directed worldwide publication of today. Obituary, Page 3.



Missile Truce BAGHDAD (AP) - Iraq said it had fired a missile into Tehran on Sunday in retalia-tion for Iranian artillery shelling that killed 21 people in

Iraq Breaks

PAGE

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and Easily in

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traqi border towns. The attack came just two days after the two nations declared a truce following a 12day missile assault on each other's capitals in which scores of civilians died.

MONDAY Q&A



Loret M. Ruppe, director of the Peace Corps, describes its expansion. Page 2.

Business/Finance Morton Thiokol, maker of boosters for the troubled space shuttle, is likely to sell its aerospace division. Page 15.

Personal Investing The Tokyo market is expericacing a boom in new issues of small stocks. Page 7-11,-

Washington Fort Service

WARSAW—Mikhail S. GorbaChev, who is to spend four days
Traveling through Yugoslavia this week, is likely to find a haunting image of the future Soviet with Mr. Buth apparently on the week, is likely to find a haunting image of the future Soviet with Mr. Buth apparently on the week, is likely to find a haunting image of the future Soviet with Mr. Buth apparently on the week is likely to find a haunting image of the future Soviet with Mr. Buth apparently on the little of the future Soviet with Mr. Buth apparently on CAME seeking to restructure the Stalinist in leader's policy of economic restructuring, to pursue their own development and interests at the expense of nationwide economic growth and integration.

Yugoslavia suffered from bitter national rivalries long before Com-munist rule, and the extremes to in Soviet Central Asia and rising which it took political decentraliza and nationalism in the western Baltie tion in the 1970s are unimaginable in the Soviet Union. Nevertheless, republics. In Yugoslavia, he will much of its troubles with nationalthat are remarkably similar in their ism can be traced to a combination of political and economic factors dynamics and origin and have de-veloped over the course of 20 years remarkably similar to those Mr.

Gorbachey faces. In the arid, underdeveloped Ser-bian province of Kosovo, where The foundation of both counries conflicts is the economic and political legacy of Stalinism, which was rigidly followed in Yugoslavia from 1945 until its break with Mospolitical liberalization in the 1960s violence, Mr. Gorbachev can find a nightmare vision of the future for Soviet Central Asia: a chronic zone cow in 1948 and was continued in modified form afterward. The centralist political policies of Stalinism meant that federal agencies and security police dominated by Scrbians, Yugoslavia's largest national-

was characterized by wide differ-

See VISIT, Page 4

organizations work.

Both care about process and fair-

tribute to management skills. They choice is a pair of steady bands.

Their speeches do oot even acknowledge, much less try to grap-ple with the fad question of 1988: Is America an empire in decline?
It was not Mr. Dukakis, bot Representative Richard A. Gephardt of Missouri, who pumped the first big dose of energy into the Democratic

message on trade.
On the Republican side, it is Pat Robertson, the former television evangelist, who gets the loudest ap-plause by telling andiences: "Why do we picky-picky on these little things while the whole nation is indanger of becoming No. 2? I'm not going to see America crash and

burn. We want to be No. 1."

But last week, in the "Super Tuesday" contests in 20 states, Mr. Gephardt and Mr. Robertson crashed and burned. They are likely soon to join the ranks of the others who have quit the 1988 campaign: Bruce Babbitt, the former Arizona governor, Representative Jack F. Kemp of New York; for-mer Senator Gary Hart of Arizona; former Governor Pierre du Pont 4th of Delaware; Alexander M. Haig Jr., the former U.S. secretary

NEWS ANALYSIS dards to stabilize a gyrating dollar, no flashy, quick-fix responses to want to compete rather than hide."

Mr. Dukakis: "The best America

Mr. Dukakis: "The best America from more than a shared distaste

AUSTRIAN AVALANCHES KILL 7 - In St. Auton, Austrian rescue workers carrying the body of one of seven victims after avalanches hit the Ariberg ski village Sunday. Page 5.

In Japan, Americans Are Being Trained in the 'Toyota Way'

TOYOTA CITY, Japan vid Everly, a 37-year-old visitor from Elizabethtown, Kentucky, struggled to keep pace with the half-built Toyota Camrys inching relentlessly down the assembly line, one every 58 seconds.

All around him, more experi-enced Japanese workers welded and buffed with seemingly inex-hanstible definess. Mr. Everly, his solid 6-foot (1.8 meter) frame a liability as he ducked and pivoted on a line scaled to smaller bodies, worked up a good American sweat and fell further and further behind.

"They work really hard here," Mr. Everly had said earlier with edmiration. "My main job will be to motivate American workers to work as hard and as fast as Japanest workers. Frankly, I think it's going to be a challenge."

Mr. Everly, who will be a "team when Toyota opens its first North American factory this May in Georgetown, Kentucky, thinks he can do it. Toyota Motor Corp. been bringing its newly-hired Japan's biggest automaker and a American workers, most of whom

At stake is a \$1.1 billion investment Toyota expects to make in Georgetown, where a car factory and newly-built access road named "Cherry Blossom Way" have risen from the horse training fields of rural Kentucky. Also being tested, in a sense, is the changing economic relationship between the United States and Japan, as the Asian giant moves from exporter to direct

Toyota, like many Japanese companies, is moving production abroad after seeing profit drop when export earnings were translated into the surging yen. By investing money where they earn it, Japanese companies can protect themselves against such currency swings. Hurt by the yen's climb, Toyota's profit rose only 4.5 percent to 79.06 billion yen (\$617 million) in the six months to December 31 from a year earlier.

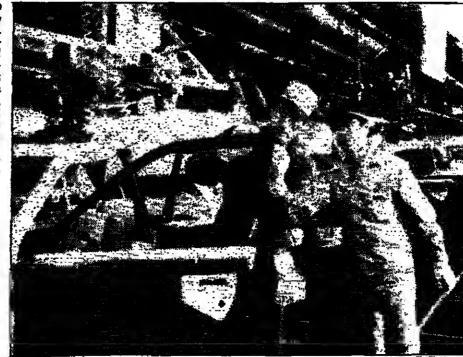
and labor.

relative latecomer in opening its have never built an automobile, to own U.S. plant, hopes he's right. its corporate center in Toyota City for month-long training courses. The meticulously-planned \$55 million education program, funded mostly by the taxpayers of Kentucky and the United States, aims at nothing short of exporting the Toyota spirit — the group loyalty, dedication to the company and willingness to work hard the have willingness to work hard that have helped make Toyota such a success. The process hasn't been easy for

either side. American workers have investor in American land, industry had to contend with bowing raw that does not exist on the assembly To increase the chances of suclines of Toyota's Japanese plants. cess in its U.S. venture, Toyota has been bringing its newly-hired

eggs for breakfast and total withdrawal from Kentucky basketball. The Japanese trainers, plucked from the line to begin learning English months ago, have been tu-tored in AIDS, the no-smoking movement and the peculiarities of American etiquette: shaking hands, looking people in the eye, not slurping spaghetti. They have learned not to be too solicitous toward women workers, a species

With about 230 future foremen See TOYOTA, Page 17



David Everly works on a Toyota Camry, watched by his Japanese trainer.

The U.S. Peace Corps Remains Idealistic, but More Realistic

The U.S. Peace Corps is expanding after a period of decline. On Wednesday, China announced it would accept volunteers for the first time, and there are other plans to broaden the scope and improve the effectiveness of the organization. Loret M. Ruppe, the Peace Corps director, spoke in Paris to Barry James of the IHT.

Q. What is the biggest challenge facing the Peace Corps?

A. Being able to mobilize resources to allow more Americans to serve. We want long-term programs that really address the development needs of countries, and

this takes staff and planning.

Q. What is your budget?

A. For 1988, \$146.2 million. I'm proud to say we now get more than military marching bands. Or put it another way. this year we are costing one half of one Bl bomber, but all 5,300 of our systems

O. You had 15,0000 volunteers at the that development?

5.000 today. Why?

A. Vietnam had a traumatie effect. Our budget fell because many congressmen thought it was hypocritical to support both the Peace Corps and the war. There was a lot of anti-Americanism in some of the countries in which we served. And with seven directors in 10 years, we had management problems.

Q. It's not lack of interest? A. No. We had more than 200,000 inquiries, and 15,000 people filled in an application form last year.

Q. And developing countries still want to receive volunteers?

A. Every country we are in has to contribute to the support of the volunteers. Many of them face tremendous debt pressures. But 64 countries think it is worthwhile, and more are asking for

Q. Among them China, which will receive 100 or so teachers of high school and college English. How do you rate A. Fantastic. By understanding and accepting each other, we are on a path to visited our volunteers in Mexico and was improving relations between our peoples.

O. Is there a difference between today's volunteers and those of the "Camedays of President Kennedy? A. They are as idealistic, but they are also more realistic. They are older. The

MONDAY Q&A

average age is 30 rather than 22 in the early days. And about 12 percent of our volunteers are over 50. Q. Would you like to see more older

people serving? A. Precisely. Who better than someone who has proved his or her own way can advise a villager or small farmer how to market or improve quality of production? We are adjusting our training and support so that older volunteers can serve and really use the talent they've got. Age in the countries we serve is respected, which means that older volunteers can hit

amazed to see people his age or older. He mendoned he might want to serve as a volunteer himself one day.

Q. Are you looking at other ways of expanding the pool of volunteers?

A. Yes. In our Leadership for Peace

program, we are asking companies whether they will allow employees leaves of absence so that we can have experts who can teach women better accounting skills or teach farmers marketing tecbniques. We have an agreement with the National Park System to send people on sabbaticals. We have started a farmer-tofarmer program to send American farmers overseas for short terms to assist their counterparts in developing countries. We have just sent two beekeepers to Tunisia. where they will work with the backstop of a volunteer who bas the language.

Q. You want manual as well as aca-A. Certainly. Half the population in tries they go out to serve.

virtually every country we serve is under 15. And most countries are changing their education systems to try to create life-skill training that will result in real jobs. So one of the key challenges is in the manual arts. Here, we want to reach out to the unions in the United States and the community colleges.

Q. What are you doing to harness the skills and experience of returning volun-

teers? A. We are working very hard to encourage them to pursue the third goal of the Peace Corps, which to be ambassa-dors for the nation in which they have

Q. Has that been neglected? A. Yes. Because of Vietnam and the rapid turnover of Peace Corps directors in the 1970s, there simply wasn't the continuity there to encourage that type of work. With the new volunteers going out today, we try during their training to get them thinking about bow they can become permanent partners with the coun-

WORLD BRIEFS

Pakistan to Decide on Afghan Accord

QUETTA Pakistan (Reuters) - Prime Minister Mohammed Khan Juocjo said Sunday that Pakistan would decide on Monday whether in sign a UN-mediated Alghan peace agreement in Geneva. Mr. Juneo said that he had completed a process of consultations and would take a first decision tomorrow," when the peace talks resume after a two-day break.

The Soviet Union has offered to withdraw an estimated 115,000 trees.

in Afghanistan within nine months beginning on May 15 if Pakistan sign

Islamabad bas insisted on a neutral transitional government in Afghanistan to oversee the Soviet withdrawal and to encourage about fine million Afghan refugees to return home. Moscow and Kabul ha rejected that demand.

Also on Sunday, the main guerrilla alliance fighting the Soviet-backet Kabul government met to select a new leader, amid reports that the rebes might send a delegation to Geneva. Sources said that the plan to sead, team to Switzerland was one of the reasons for the resignation on Saturday of the alliance's leader. Mowlaw Yunus Khalis, Mr. Khalis, an Islamic fundamentalist, was said to have feared that such a delegation could be led into contacts with Afghan negotiators.

Ecuador Rights Abuses Said to Rise

BOGOTA (NYT) — Torture, extrajudicial killings and other humanights abuses have increased alarmingly in Ecuador over the last three years, according to a report by Americas Watch, the New York-based ouman rights organization.

The report also asserted that the Reagan administration had over looked this situation because of its sympathy for the conservative government of President Leon Febres Cordero. It said some abuses were committed by the police in countennsurgency moves, but that other resulted from steps to suppress unions and freedom of expression. The report, prepared with the Andean Commission of Jurists, was issued

It said that unlawful detentions take place frequently, that police "physically abuse and torture" detainees to extract confessions and information; that evidence exists of six cases of forced disappearances in recent years; that "a disturbing number" of prisoners bave been billed supposedly while trying to escape; and that several guerrillas have bee summarily executed following arrest.

U.K. Prince Denies Marriage Report

LIVERPOOL. England (API — Prince Edward, youngest son of Queen Elizabeth II, denied a British newspaper report Sunday that he planned to marry the 22-year-old daughter of a Belgian baroness.

The People, a weekly London tabloid, had reported earlier Sunday that the 24-year-old prince had proposed to Georgia May, whose mother

But when reporters shouled "Congratulations" and "How is Georgia" as he arrived at the British Academy of Film and Television Arts Craft Awards reremony in this northwestern port ciry, he snapped: "I don't know what you're talking about. It's all complete fabrication."

Catherine, was born a baroness in the Belgian family Van den Branden de

Gadhafi Calls for Attacks on Israelis

CAIRO (Reuters) - The Libyan leader, Colonel Moammar Gadbali was quoted on Sunday as saying Egyptians should tear down the Israeli Embassy in Cairo with their bare bands and kill every Israeli and American in their country. Egypt is the only Arab country to have diplomatie relations with Israel.

"How could the Israeli embassy continue to exist even for one day in Egypt?" be said in an interview with an Egyptian newspaper. "Every day a million Egyptians must march and tear it down with their bare hands stone by stone."

He called on Egyptians to revolt against Israel to restore their self-

For the Record

A blue-white, 599-carat stone that is expected to be the second-largest cut diamond in existence was unearthed in mid-1986 at the De Been; conglomerate's Premier Mine near Pretoria. De Beers has revealed m Kimberley, South Africa, at a banquet marking its 100th anniversary. The diamond, once cut, is to be exhibited, then auctioned. (Reuen)

TRAVEL UPDATE

Japan Opens Hokkaido Rail Tunnel

TOKYO (AP) — The world's longest undersea tunnel opened to rail service Sunday, linking Japan's largest island, Honshu, with the island of

Hokkaido to the north.

The tunnel extends 33 miles (53 kilometers) from Aomori at the tip of Honshu to Hakodate in southern Hokkaido, the nation's northernmos main island. The undersea portion runs 14 miles,

Next month, with the official opening of the Seto Ohashi Bridge, a series of 11 spans totaling seven and a half miles linking Honshu with the island of Shikoku, transportation officials will complete a decades-old plan of connecting Japan's four main islands by rail.

Rome Airport Workers Reject Pact

ROME (AP) — Scores of flights were canceled or delayed Sunday a Leonardo da Vinci Airport after ground workers went on strike over a tentative accord reached earlier in the day to end a dispute that began s mooths ago. Also Sunday, rail workers in Sicily and Reggio di Calabra called a three-hour strike.

The airport strike, involving about 90 percent of such workers as check in counter personnel and baggage handlers, was in defiance of Italy major labor federations.

A few hours earlier, Transport Minister Calogero Mannino and labor leaders for ground crew announced a tentative accord that would be retroactive to January. It called for a monthly pay raise of about 220,00 lire (\$180) over three years and a gradual shortening of the workwest from 40 and a half bours to 37 and a half.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Gibraliar, New Zealand, Swaziland

TUESDAY: Jordan, Kuwaii, Liberia.

WEDNESDAY: Indonesia.

THURSDAY: Ircland. FRIDAY: Nepal.

SATURDAY: Andorra, Brazil, Costa Rica, Indonesia, Liechian Marino, Spain, Varican City, Venezuela, Zambia.

SUNDAY: Alghanistan, Tunisia. Source: Morgan Guaranty Trust Co., Rester

DOONESBURY





PARTICULARLY IN RELATION





Democrats Come to Terms With Jackson's Political Clout

By Michael Oreskes

New York Times Service CHICAGO - The emergence of the Reverend Jesse L. Jackson as a major force in the Democratic Party is heing greeted as an opportunity and a breakthrough by many of the same Democrats who were letrified by the idea a year ago.

While they still wonder how Mr. Jackson will use his newly found political power, these Democrats say they have beard loud and clear Mr. Jackson's message: He does not intend, through his candidacy for the party's presidential nomina-tion, to be a spoiler who could be blamed for a Democratic defeat in

November. "People have asked what I want," Mr. Jackson said recently in a speech to Baptist ministers in his hometown of Greenville, South Carolina. "I want a humane gov-

Bob Slagle, the Texas Democratic chairman, said he was convinced that Mr. Jackson would not put his own ambitions ahead of the party's imperatives. And Bruce Babbitt. the former Arizona governor and one of Mr. Jackson's rivals for the nomination until Mr. Babbitt withdrew from the race in February. said he would feel fine having Mr. Jackson consulted when the Demo-

cratic ticket is put together.
Mr. Jackson's success so far in the primaries and caucuses bas been the result of his relentless effort to broaden his appeal and shed the radical image of his 1984 presi-

denual campaign.

After the results of the South Carolina caucuses over the weekend and the Illinois primary on Tuesday, be will almost certainly be the front-runner in terms of convention delegates accumulated in the Democratic race, party vote-

counters said. It is not likely that he will arrive certain that he will hold the balance of power if no other candidate bas emerged as the clear winner by the last primaries in California and

New Jersey in June. At times Mr. Jackson and his aides bridle at suggestions that he cannot win the nomination or has some other purpose, "No one asks what does Dukakis want," said one of Mr. Jackson's advisers. Basil Paterson, referring to Governor Michael S. Dukakis of Massachu-

setts, one of Mr. Jackson's rivals for the nomination.

But at other times Mr. Jackson talks like a senior party statesman. which is what most people who know him say he would really like to be. He is running to be the Democratic nominee, he said recently. But if he does not win, all the candidates must come together to as-sure a Democratic victory. "The even at the cost of defeat, has great convention should not be a hattle- appeal.

ground." Mr. Jackson said. The message being circulated by his more moderate supporters is that he would much rather be an influential adviser to a Democratic administration than force himself onto a ticket if that meant defeat of the ticket in November.

"I think he recognizes he's achieved a lot," said Representa-tive William H, Gray 3d, Democrat of Pennsylvania, who was in Chicago over the weekend campaigning for Mr. Jackson.

"He doesn't want to throw it away," Mr. Gray said. "He doesn't want to be hlamed for a Democrat-

But Mr. Gray added. "He also wants to make sure there are signif-

icant changes in the fall." Mr. Slagle summarized the evolving view of Mr. Jackson in the party establishment: "I think everybody a year ago thought Jackson would be destructive. Now Jackson has said enough times over that be's committed to the Democratic Party and its ulumate nomi-

Not entirely, of course. The new concern, indeed, revolves around Mr. Jackson's willingness, even in-sistence, on dealing. Mr. Slagle said that in 1984, when Mr. Jackson also ran for the presidential nomination, the problem between him and the party's nominee, Walter F. Mondale, was that Mr. Jackson did not know quite what to ask for and Mr. Mondale did not know what to

This time, Mr. Slagle said, Mr. Jackson will have a clearly thoughtout agenda and the problem will be bow to accommodate his reasonable requests, reject the unreason-able ones, and not bave it look like the nomination is being bartered for accommodations with Mr. Jackson, who despite considerable strides remains widely unpopular with many white voters.

Some Democratie officeholders still fear that Mr. Jackson's prominence will frighten their consutu-ents. In Cook County, Illinois, where Mr. Jackson's old image is far better known than it is nationally, those fears are already being played on.

"Wouldn't you be more comfortable in the Republican Party," said a flyer, distributed to voters in white neighborhoods, that described Mr. Jackson's potential role as a broker at the Democratic Convention.

However, Mr. Jackson's improv ing image among whites bas made it safer for white politicians to en-dorse him, or at least be seen deal-

over the last few months. In May. only 15 percent of white respon-dents said they had a favorable impression of Mr. Jackson. In Feb-

ruary, 26 percent did. "I can visualize a scene in Atlan-Atlanta in July with enough delegates to be nominated. But it is certain that he will hold the helder.

Rabbit "And Mike and the least together in a room," said Mr.

Rabbit "And Mike and the least together in a room," said Mr. What do you think of Al Gore as my running mate? That's a kind of metaphor for the way the roles may work. Gore is not invited to be vice president without the question be-

ing posed to Jesse." Mr. Jackson's precise role will depend in good measure on what bappens between now and the Democrane Convention. Among his supporters, officeholders and other mainstream Democrats. many of whom supported Mr. Mondale in 1984, generally share the view of Mr. Gray that party

victory is the first priority. But among some of Mr. Jackson's other supporters, many of whom have been with him through his civil rights days and his 1984 campaign, the symbolic impor-



Jesse L. Jackson speaking at a graduation ceremony at Michigan State University in East Lausing over the weekend.

The improvement is measured in The New York Times-CBS News polls of likely Democratic voters over the last few months. In Many

day to stay in the Republican presidential race even if he loses the Illinois primary to Vice Mr. Dole said his campaign had workers in President George Bush on Tuesday.

"We're going full bore," Mr. Dole said. "Our new theme when we leave here is 'On Wisconnew theme when we leave here is 'On Wiscon-

That state holds its primary April 5. On Saturday be made a last-disch televised appeal to Illinois voters that was marred by a

technical problems. At one point in that halfhour broadcast the broadcast image was interrupted for four minutes. Mr. Dole could be heard talking, but the television screen showed only a still picture in which the top third of his head was obliterated by a wide black bar.

Last week, it was reported that some of Mr. Dole's top advisers had urged him to concede the campaign to Mr. Bush. Mr. Dole denied the

Should Mr. Dole lose filinois, however, his prospects will appear bleak. According to UPI's count, Mr. Bush now has 700 of the 1,139 delegates needed for the Republican nomination, compared with 164 for Mr. Dole. There Mr. Dole, of Kansas, said Sunday on a CBS

are 92 at stake Tuesday in Illinois. television news program that he was receiving encouragement from prominent Republicans, including former President Richard Nixon. who sent him a telegram. Mr. Dole said these Republicans were telling him: "Hang in there. Don't give up. Make Illinois your finest hour."

"I believe I have some obligation not to look CHICAGO - Senator Bob Dole vowed Sun-ridiculous, but some obligation to stry in this

> California Republicans, who vote June 7 in one of the last big primaries of the 1988 season.

> have a right to a choice, Mr. Dole said. Sooner or later," he said, "the voters in one of these states are going to say: 'Hold it. We're about to nominate the candidate who can't win in November. We better turn around and vote

> lo the Democtatic race, a new ABC News-Washington Post poll of primary voters in Illi-nois showed Senator Paul Simon with 39 percent in his home state, the Reverend Jesse L. ckson, with 32 percent; Governor Michael S. Dukakis, 15 percent; Representative Richard

> A. Gepbardt of Missouri, 5 percent, and Sena-tor Albert Gore Jr. of Tennessee, 3 percent. The results indicated the race was fightening. with Mr. Simon losing some support and Mr. Dukakis coming on strong.

Dole Tame in Criticism of Bush

Bernard Weinraub of the New York Times reported earlier from Galesburg, Illinois: lo his televised speech on Saturday, which was aimed at a statewide audience in Illinois,

more experienced and far tougher than Mr. Bush, The speech, however, was unexpectedly tame in its criticism of Mr. Bush.

"I'm the best candidate," Mr. Dole said. "I can win in November, I believe I'm qualified, I'm an issues person, I understand America, I understand real people in America. "Whether it's education or agriculture, I've been tested and I've failed but I've gotten up and tried again. People know, people under

stand, Bob Dole understands their problems. I have provided leadership. I can do it. Mr. Dole's campaign manager, Bill Brock, said that the flawed broadcast would be retaped and shown Sunday and Monday in such areas as Springfield, Moline, Davenport and Rockford, Mr. Brock attributed the technical

difficulties to a 45-second power failure. Mr. Dole made his comments in an address to 40 supporters at Knox College, the site of the fifth and final debate between Ahraham Lin-coln and Stephen Douglas on Oct. 7, 1858. Mr. Dole's address was broadcast live. He has sought without success to engage Mr. Bush in a

The speech was a last-ditch effort to save his presidential campaign and stop Mr. Bush's mo-mentum before the Illinois primary.

"I don't give up easily," he said, adding, "I didn't expect the job to be handed to me."

The program was aired at the same time as one of the most popular shows on American

Mr. Dole indicated that he was more electable, television, the game show "Wheel of Fortune." CAMPAIGN BRIEFS VOTE: For '88 Front-Runners, Caution Has Rewards

Jackson Takes 35% in Alaska Polling much more effective politician ever

ANCHORAGE, Alaska (NYT) - The Reverend Jesse L. Jackson won almost 35 percent of the delegates selected at Alaskan Democratic Party appointive route, always deferring precinct caucuses, while Governor Michael S. Dukakis of Massachusetts to whoever appointed him. He has took 31 percent, party officials announced. Another 31 percent of the worked at the United Nations, the 2.498 state delegates obosen were listed as uncommitted.

The results should translate into at least four national convention delegates for Mr. Jackson and at least three for Mr. Dukakis, with five

Whites carried the vote for Mr. Jackson at almost 440 caucuses around the state Thursday night. Bob Speed, the state party director, said Friday. Blacks make up only 3 percent of the state's 530,000 people. Among other Democratic presidential candidates, Senator Albert Gore Jr. of Tennessee drew almost 2 percent of the delegates.

Robertson Admits It'd Take a Miracle CHICAGO (NYT) - Pat Robertson has conceded that only a miracle shire, when Ronald Reagan

could make him the Republican presidential nominee. Yet he is staying in showed up at a debate accompathe race, hoping to establish himself and his followers as a permanent force in Republican politics. "We're not just running a presideoual campaign," be said in Illinois, for this microphone," demanding

(Continued from Page 1)

Mr. Bush made his career by the

to whoever appointed him. He has Central Intelligence Committee and the Republican National Committee, and at all of these places people speak glowingly of him. He

Like Mr. Dukakis, Mr. Bush also knows bow to learn from failure. The most indelible moment of his 1980 presidential bid came in a debate in Nashua, New Hampnied by other candidates and ut-tered his famous line "I am paying nee that people have quit worrying about it." campaigning for support in the state primary election on Tuesday. that the others be allowed to participate.

Mr. Bush, a rules-player, insist-ed, as the spousor of the debate had of its candidate and does not overstipulated, that only he and Mr. reach. Reagan should participate. But Mr. Reagan, a former film star, knew how to seize control of a moment,

replayed again and again throughout the campaign. The lesson was clear: In the carry, modern age of bite-sized video And politics, the way you show strength is by staging and winning confron-tations, on live television if possible. As the CBS anchorman, Dan

cess, a penchant for long-term member? planning and execution. Mr. Bush put the top echelon of his campaign organization in place two years ago, and has kept it to-

gether ever since.

Tuesday," when he won eight of the 20 states and had the best geographic spread, with victories in the West, New England, the mid-Atlantic states and the South, was a tribute to an organization that



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The Dukakis campaign invested dozens of staffers and bundreds of thousand of dollars building orgaupstage Mr. Bush and make him nizations in Texas and Florida, the appear the villain. The moment was two Southern states that, by virtue of their specialized voting blocs, Mr. Dukakis had the best chance to

And carry them he did, enabling him now to promote himself as the only Democratic candidate who has proven he can win in all regions of the country. The sleight of hand Rather, discovered two months in all this was that in the rest of the ago, Mr. Bush is a diligent student. South, Mr. Dukakis chalked up Mr. Busb and Mr. Dukakis share nine third-place finishes in a fouranother trait that makes for suc- man field, But how many will re-

CIA Stays Silent Mr. Dakakis's success oo "Super On Taipei Rumor

WASHINGTON — The Central Intelligence Agency has declined comment on newspaper reports in Taiwan that it smuggled out a nuclear scientist who is missing from his job. Bill Devine, a CIA spokesman,

ment in the disappearance of the In Taipei, the government said it had issued a warrant for the arrest of the scientist, Chang Hsien-yi. Defense Minister Cheng Wei-yuan denied reports that the sc

had left the country

said, "We can neither confirm or deny the reports." The Taiwan gov-

ernment has denied CIA involve-

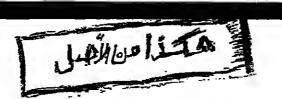
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ier Reject Pa the paper." majoration of a carping

On arrival in Paris, Mr. Weiss

Sydney Grusoo, former vice Corp. and member of the board of directors of the International Herald Tribune, was editor and chief ternational edition during the peri-

"Boddy was a fierce competitor, continued to build," said Kathara wonderful colleague and a bril-

of the International Herald Tri- was a beloved colleague and friend

editor—gentle and understanding, the managing editor of Parade out also sharp. Jimmy Breslin, a magazine, in New York lo 1983 he syndicated columnist for the New joined the United States Information. With Daity News who worked for tion Agency in Washington as an Mr. Weise at the New York Herald Mr. Weiss at the New York Heraid editor.

Tribune, said, "Buddy was one of A scholarship at Columbia Uniabout four people that I ever versity will be set op in Mr. Weiss's

eat hreakfast while moving

through a landscape."

And more than 75 passenger express trains "still thunder across America," bearing legendary names like the Twilight Limited, California Zephyr, Broadway Limited.
"The shining rails and the

trains that run on them," the autheir concludes, "have oot lost their hold on the American mind and do not seem likely to. Not while there's a grain either of romance or of national purpose left

Notes About People

Nancy Reagan says she decided on a total mastectomy for her breast cancer because less extensive surgery to remove just the malignant lump would have required radiation treatment or chemotherapy, interfering with her schedule as first lady. Mrs. Reagan's decision was criticized by some medical and women's groups as likely to scare other women away from treatment. Mrs. Reagan told Barbara Wal-ters in an interview on ABC television, "I couldn't possibly lead the kind of life I lead, and keep the schedule that I do, having radiation or chemotherapy."

Lee Izcocca's second book, "Talking Straight," about "previ-ously untold life experiences," will be published June I by Bantam Books Hardcover. As with "Iacocca: An Autobiography," which sold more than six million

Roger L. Stevens, who retired in January after 27 years as chairman of the John F. Kennedy Center for the Performing Arts in Washington, is to become chairman of the National Book Awards for the second time. He held the post from 1970 to 1975.

Short Takes

Some federal officials are resisting a proposal by President Ronald Reagan that income tax returns and all other U.S. forms carry a notice estimating how much time is required to fill them out. John J. Franke Jr., an assistant secretary of agriculture, said that "we fail to see the need for further cluster" on federal forms. Kenneth A. Fogash of the Securities and Exchange Commission said the agency would be "inundated by complaints from irate persons who feel they were overcharged by their attorneys or ac countants" for work exceeding official time estimates. The U.S. Chamber of Commerce, the National Association of Manufac-turers and oumerous corpora-tions have endorsed the idea.

Clarence Ferguson drank a pint (about a half a liter) of gin a day and was fired four years ago as a purchasing agent for the National Marine Fisheries Service in St. Petersburg, Florida, after missing 14 months' work in three years. A

copies, all royalties will go to federal district judge noting a charity. handicapped federal workers, has ordered that Mr. Ferguson, 48, who is oow a member of the selfhelp group Alcoholics Anonymous, he giveo more thao \$150,000 in back pay and a chance to get his job back. The Fisheries Service said it had been unaware that Mr. Fergusoo was an alcoholic, since he never staggered or smelled of alcohol. The judge said his chronic absenceism should have been cine

> The term "free-range," as applied to chickens, doesn't mean they go "running through Montana, leaping over creeks," says Clark Wolf, an agricultural writ-er. Free-range, he says, simply means a return to the way chickens were raised 50 years ago: the birds roost in a chicken house instead of a cage and can walk around the yard.

America's Girl Scouts are observing their 76th anniversary this month, notably by the sale of Girl Scout cookies. The Park Hyatt Hotel in Washington is marking the anniversary by putting a box of Girl Scout cookies instead of a packet of chocolates on guests' pillows when their beds are turned down for the night.

Arthur Highee

Memos Connect Meese To Pipeline Briefing

General Edwin Meese 3d and a part of a larger group." close friend, E. Bob Wallach, briefed Prime Minister Shimon Peres of Israel in October 1985 about the status of plans to build a \$1 billion pipeline from Iraq to Jordan, according to memos written hy Mr. Waliach.

According to the memos, Mr. Wallach was attending a crowded reception for Mr. Peres at the Israeh Embassy in Washington. He had given up hope of getting enough time with Mr. Peres to brief him, he said, when Mr. Meese interceded.

The memos say that Mr. Meese took Mr. Peres and Mr. Wallach an "eyes only" memo informing aside at the reception and that the three mea discussed the project for deal would be paid to Israel and to the limit to the l about 10 minutes.

as enthusiastic and "intensely" in terested in the project, according to the memos, which have been re-viewed by The Washingtoo Post. [Mr. Meese, speaking Sunday on a television interview program, de-nied the latest report, while Foreign Ministry officials in Israel refused to comment, The Associated

Press reported. Mr. Wallach said that Mr. Peres later invited him to meet him in New York a few days after the reception and, Mr. Wallach said, he

Mr. Wallach's accounts contradict repeated assertions by Mr. Peres and his aides that he oever

met Mr. Wallach "one-on-one" but WASHINGTON - Attorney only "on social occasions and as

An independent counsel, James C. McKay, is investigating Mr. Meese's role in the pipeline maneuvering to determine whether Mr. Meese might have violated any laws in concert with Mr. Wallach or anyone else.

It is illegal for U.S. citizens, companies or their agents to offer foreign governments, officials or political parties "anything of value" to get their help in obtaining business

It previously has been reported that Mr. Wallach sent Mr. Meese deal would be paid to Israel and to the Israeli Labor Party, of which Mr. Wallach described Mr. Peres Mr. Peres is the leader.

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Murray M. Weiss Dies; Film and leaving to Former Editor of IHT

Murray M. Weiss, the editor who acks on Israeli played a dominant role in recasting this newspaper into the International Herald Tribune, died Satur-

AMERICAN

TOPICS

Trains Still Haunt

The American Mind

"The most haunting sound

ever made by an instrument of human devising is the far-off

whistle of a steam locomotive,"

says the essayist Noel Perrin. Trains and railroads still fasci-

nate Americans, he says in an article for The New York Times,

"in an era when passenger train service is maybe a 20th of what it

Of railroad songs, Mr. Perrin says: "Hardly a child grows up without learning 'I've Beeo Working on the Railroad,"—and there are a dozen more almost as

well known, from 'Casey Jones'

to Chattanooga Choo-Choo' to The Wabash Cannooball. Sung any good airline sougs lately? Bus songs? The Ford anthem?" To be

sure, the author says, planes, bus-

es and cars are relatively oew, but

there are precious few canal boat

You can't walk around in a car,

and barely in a plane, while trains

permit a stroll to the dining car,

a late evening amble back to one's bedroom." Some people have taken trains "not so much be-

cause they wanted to get any-

where as because they wanted to

or stagecoach songs either.

the one was a stroke suffered while playing tennis on Friday. He was editor of the paper from

of the IHT changed from a largely expatriate and tourist-oriented newspaper to what he called an international oewspaper that speaks with an American accent." Circulation rose rapidly in the late 1960s and 1970s as the IHT became aforce in journalism worldwide. Almost exactly 10 years ago, in 1978, the International Herald Tribune, with Mr. Weiss carefully su-pervising, made the transition from not lead composition and ancient presses at its old headquarters in the rue de Berri to computer-edited photo-composition in new officesin the Paris suburb of Neuilly. Over the weekend of March 25-26, 1978,

the paper moved from the 19th to the late 20th century. Mr. Weiss known to everyone as Buddy, joined the New York Herald Tribune as a copy boy and rose to become its managing editor be-fore coming to the European edi-tion. He was described in Richard Kluger's history of the New York Herald Tribune, The Paper, as "high-domed, short-haired and

wide-eyed the best-liked man on ism. Speaking from Washington on Sunday, the executive editor of The Washingtoo Post, Benjamio C. Bradlee, said: "Buddy Weiss was The Front Page updated and just a wonderful newspaper man."

Mr. Weiss, as editor of the Trib, not only set editorial policy, edited copy, wrote headlines and read evcy line before stories were sent to the composing room, but also designed the elegant front pages that became the paper's trademark.

"Weiss was legendary," said Richard C. Wald, who had been national news editor under Mr. Weiss in New York. "He was the best and fastest layouf editor in the business." The International Herald Tribune, Mr. Wald added, was just the right size for Mr. Weiss. He could edit the whole thing

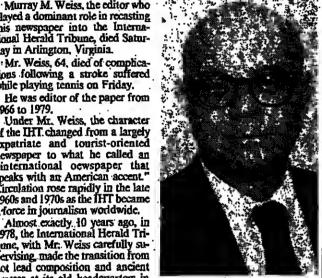
Mr. Weiss was a "hands-on" editor. An aspect of the Paris job that particularly pleased him was that he could work closely with printers and at times even handle the sticks of type that New York union regulations forbade him to touch.

found himself in a circulation bat-tle with the Internacional Edition of The New York Times, which had begun simultaneous New York-Paris printing in 1960 and for a time looked as if it might drive the Trib out of business. Instead, The Times in 1967 joined the Trib.

chairman of The New York Times executive officer of The Times's ingreat editors who created a prodod when the two papers were rivals. International Herald Tribune has

liant journalist," Mr. Gruson said IHT and chairman of the board of from New York. "Above all, he was The Washington Post Co. a totally decent man."

bune, said that "Buddy was a terrif- to all of us who worked with him." ic journalist and a wonderful man. He leaves behind only affection 1979 and was the editor of The and deep professional respect." His staff considered him a dream cut, from 1979 to 1981, and later



Murray M. Weiss

cable courtesy whose constant Responsive to the quirky and oew, while with the New York Herald Tribune he hired a young writer who came to him with a carefully composed scrapbook of clippings and whose name was Tom Wolfe. Mr. Wolfe's feature writing during the last years of the New York paper helped launch the breezy and personal style of reporting that became known as the "oew journal-

Such was Mr. Weiss's warmth and charm that even his rejections carried no sting. Jane Kramer, now the European correspondent for The New Yorker, went to see him when looking for her first job in 1961. "He turned me down, but at the same time he made me feel terrific, like he was launching a career. I don't know how he did it,

Born in New York, Mr. Weiss took a graduate degree in English from Columbia University but gave up thoughts of a teaching career to become a copy boy at the New York Herald Tribune in 1947. He went on to be a rewrite man, then a reporter and editor. In 1960, he worked briefly for The New York Times and returned to the Herald Tribune the following year.

He served as city editor and managing editor before leaving the paper in 1964 to become assistant to the publisher of The Bostoo Her-

In 1966, after the New York Herald Tribune suspended publication following years of severe losses and a lengthy strike by mechanical employees, Mr. Weiss was recruited to edit the orphaned Paris edition, which in 1967 was renamed the International Herald Tribune.

The Paris paper continued publication under a partnership formed by The Washington Post Co. and John Hay Whitney, the owner of the New York paper. The New York Times in 1967 joined the ownership after closing its international edition.

"Buddy Weiss was one of those uct, who made a mold on which the ine Graham, co-chairman of the

"He took the Trib into the age of John Vinocur, executive editor international news. Io addition he

> Mr. Weiss left the Paris paper in Advocate in Stamford, Connecti-

About how to fix an English sentence. He was great, the best was a man of impec
Mr. Weiss was a man of impec
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In France, It's Law and Order vs. Law and Order

By Barry James

PARIS - In most countries, they play cops and robbers. In France, they have a variant called cops and gendarmes.

which is almost as exciting.

The two principal forces of law and order in France have different roles. They also have hig differences, and their

long-simmering rivalry is no longer disguised.
The feud broke into the open in November when gendarmes arrested a chief police inspector in Paris on a charge of receiving money from prostitutes. More than 200 police officers took to the street in a protest demonstration. The police have been smarting for revenge ever since, and

recently they dug up an old narcotics case they reportedly hope will prove embarrassing for a senior gendarmene officer on the staff of President François Mitterrand. The 110,000 policemen are civilians under the control of

the Interior Ministry and the 90,000 gendarmes are under

The police have the task of protecting cities and towns. Except for the Compagnies Républicaines de Sécurité, or CRS, a feared anti-riot force, uniformed officers wear blousons and flat caps designed by the couturier Pierre Balmain The gendarmes, more conservative, have kept their traditional kepis and blue tunics and serve primarily in rural

The distinctions have become blurred of late, however, as gendarmes have moved increasingly onto turf that the police regarded as their own, such as conducting plainclothes investigations in cities.

As the rural population dwindles, the gendarmes appear to be reorganizing themselves as a national force. They are setting up their own central archives and building a forensic center to rival facilities operated by the police.

The bostility between the two forces turned bitter in 1982 when Mr. Mitterrand, a Socialist, ordered the reorganization of his personal security service, which was the responsibility

According to published accounts, Mr. Mitterrand's antiterrorism adviser, a gendarme captain named Christian

First, he infiltrated past the police security lines a stranger who handed the president a red rose. Then, the reports said, public ceremony. Pictures of both incidents were leaked to tionately.

newspapers. The police responded by placing an empty box under Mr. Mitterrand's chair during a ceremony at a military school in Paris when the gendarmes were in charge of security. According to the reports, they also managed to steal the side arm and the briefcase of a senior gendarme officer under the nose of Mr. Mitterrand.

The Presidential Security Group, formed early in 1983, was to be an elite force comprising gendarmes and police-men. But a gendarme was appointed commander and the police refused to serve under a military officer in peacetime. As a result, the 24-man unit includes only gendarmes, who call themselves, in gallant fashion, "the president's muske-

The police still are responsible for the protection of other cabinei members.

In May, Defense Minister Andre Giraud formally authorized gendarmes to operate in plainclothes, a source of particular annoyance to the police. There have been a couple reported instances in which policemen and gendarmes have turned up at the same crime and mistaken one another for the crooks.

Prime Minister Jacques Chirac appointed a commission last year to study ways to make the two forces more "commentary." The report, details of which were released Saturday, recommends a geographical realignment, with the police getting control of cities and suburbs, and the gendarmes being given responsibility for medium-sized and

While upbolding the right of gendarmes to conduct plain-clothes investigations in the cities, it says they should improve coordination with the police. It also called on the two forces to consult before buying equipment or building new

The national police inspectorate earlier produced a scath-

Prouteau, set out to prove that the president was not safe in police bands. ing report about the gendarmes for the police boss, Interior Minister Charles Pasqua. It accused the gendarmes of trying to muscle in on judicial inquiries that did not concern them while shirking responsibilities for maintaining public order he had an empty shoe box placed near the president during a and allowing the crime rate in their sectors to rise dispropor-

The report said the expansionist ambitions of the gendarmes, lavishly funded from the defense budget, were creating wasteful parallel structures and "patently contrived" projects, such as the forensic center.

Any possibility of a truce was eliminated Nov. 28, when 15 gendarmes turned up at the home of Yves Jobic, a 29-yearold chief inspector of police, and arrested him on the basis of testimony by several prostitutes and a pimp who alleged they had to pay for protection.

It also emerged that the gendarmes had tapped Mr. Johic's telephone conversations with an informer. Now awaiting trial, Mr. Jobic said in an interview published earlier this month that the charges were preposterous and that the gendarmes were using him to discredit the police.

The police have counterattacked by arresting two former gendarmes in connection with the escape of a narcotics witness in Corsica and the disappearance of beroin that was seized from him.

Both men also are involved in a bizarre case of telephonetapping, which the police believe leads to Captain Prouteau. the senior gendarme on the president's staff, according to published reports.

In trying to prove that link, three police inspectors recently went to the gendarmerie headquarters near Paris, armed with a warrant to search the apartment of one of Mr. Mitterrand's security guards. The newspaper Le Monde reported that after carrying out the search they were threatened by dozens of armed gen-darmes, photographed and filmed, then busiled to their car

There is a strong political undercurrent accompanying the neidents. For reasons not entirely clear, apart from the fact that Mr. Pasqua is one of its beroes, the rightist press has strongly supported the police throughout the affair.

and tailed back to Paris by a gendarmerie car.



A municipal police station at Orange, in southern France.

SHAMIR: Conciliatory Tone

(Continued from Page 1)

said, "I will express my opinion and I will go back home." "And I am sure," he added, "that

there will not he any change in our relationship. The president said it several

times," he said, "that the close relationship and the strategic cooperation between Israel and the United States will continue in spite of differences we have." The contrast between Mr. Sha-

mir's warm remarks in the interview and his harsb statements for domestic consumption reflected pressures on Mr. Shamir in keep together the fractious, anxious "national camp" that supports him and that is deeply suspicious of Washington's motives and ideas. At the same time, he wishes to appear peace-loving and flexible to an administration and a Congress that constitute Israel's main international ally.

As Menachem Shalev, a political analyst for The Jerusalem Post,

pointed out the upnsing in the occupied territories has under-mined the belief that the status quo of Israeli rule and sullen Arab acquiescence was immutable. At least go Palestinians have been killed by Israelis in the rioting.

The international peace conference that Mr. Shamir vetoed last May "rose from the dead," in Mr. Shalev's words, in Mr. Shultz's new

ington. A poll in the Hebrew daily Chadashot published Friday showed 46 percent in favor of the U.S. plan. 37 percent opposed. To make matters worse, Mr. Sha-

mir's own political base is in disarray, many analysts say. Many nbers of his Likud bloc contend that he has gone 100 far in encouraging Mr. Shultz's initiative and welcoming the secretary of state's recent visit to the region. Others. apparently a minority, say he cannot appear intransigent.

■ United Opposition

David B. Ottaway of The Washington Post reported from Washing-Mr. Shamir faces an unusually

strong consensus of administration, congressional and American Jewish community opinion united behind the new U.S. peace plan. The scene is thus set for a tough battle of wills between Mr. Shamir and Mr. Shultz, the author of the

To emphasize the divisions with-in tsrael's coalition government. Shimon Peres, the foreign minister who is a warm supporter of the Shultz plan, intends to send aides and supporters to Washington to chauvinistic as the Serbians they express their endorsement of the U.S. effort even as Mr. Shamir and

his aides are arguing against it.
Peace Now, the fsraeli peace Peace Now, the fsraeli peace to the emergence of a local Commovement, sent four spokesmen to hold a "teach-in" at American Unisupported economic change but versity on Sunday and a news con-held Croatian nationalist leanings. ference on Monday. The peace activists include Yael Dayan. tivists include Yael Davan, authority threatened, purged the daughter of the late Moshe Dayan, leadership in 1972, thus ending the and Hannah Siniora, editor of the nationalist movement associated Jerusalem daily Al-Fajr. and two with it but also undermining supsenior Israeli army reserve officers, port for the reform. Purges of re-Colonel Mordechai Bar-On and formers accused of nationalism fol-



VISIT TO EGYPT — President Hosni Mubarak of Egypt, left, greeting the leader of the United Arab Emirates, Sheikh Zayed bin Sultan an-Nahayan of Abu Dhabi, Sunday in Cairo. It is the first visit by a Gulf leader since the Arab League eased its stand against Egypt last year.

VISIT: Parallels May Haunt Gorbachev in Yugoslavia

(Continued from Page 1)

ences in development between poor southern republics and affluent western ones and, like Moscow, set The Israeli public seems to sense jects in the poorer areas. The policy

was mostly a failure. Twenty years before Mr. Gorbaleader, Tito, embarked on a policy of economic and political change. He dismissed his security chief and encouraged Albanians in Kosovo to assert themselves in the local power structure. He also set up a market-oriented economic system. gious sank deeper into poverty, gutted of any real power.

While the policies led to a sustained economie boom in Yugoslavia, ii also unleashed nationalisi forces that led, within a decade, to both the collapse of economic restructuring and the beginning of the current fragmentation.

Tito's program, it turned out, contained significant flaws that, arguably, are built into Mr. Gorbachev's similar policies of glasnost, or openness, and perestroika.

First. Yugoslavia's version of glasnost allowed the freer expression of nationalist aspirations without providing a political system flexible enough 10 accommodate the new pressures.

When Albanians in Kosovo expressed their resentments by noting in 1968. Tito responded by giving the province much greater aumnomy. But the Albanian authorities who took over proved as replaced. Albanians now persecut-

In Croatia, the freer climate led

ed Serbians, and the tensions grew.

Tito, feeling the party's central Brigadier General Giora Furman. lowed in other republics, and

Yugoslavia's economic reform nev- plagued, like Soviet Central Asia, er regained its momentum.

The destructive identification of the pro- and anti-reform lobhies out to redress the disparity by pursuing buge industrialization pro. a consequence of a second major flaw built into the new policies. Creating a market-oriented economy, it turned out, meant a transfer chev tonk power, the Yugoslav of state resources toward the richer gram in 1974, then pushed through republics while spelling disaster for the inefficient heavy industry built in poor areas under Stalinism

While affluent, westernized Croatia and Slovenia grew richer, Kosovo and other underdeveloped re-

with lack of capital, entrepreneurial expertise or trained work forces. The result was the eventual breakdown of Yugoslavia's Communist Party into a bost of miniparties divided by nationality and

political outlook. Tito halted the economic pro a radical decentralization of gov-ernment that made the divisions even worse. Since his death in 1980, Yugoslavia has toltered toward political anarchy, its federal government and central party apparatus

DEPLOY: Soviet Subs in Europe

(Continued from Page 1) from its level of 63 to somewhere

from 14 to 34, he said. The Soviet Union bas been steadily modernizing its fleet of missile-carrying submarines, and

has newer vessels carrying more capable missiles with which to cover targets in the United States, according to the Pentagon. The fifth modern Typhoon-class submarine was launched late in

1986 and the fifth Delta 4 suhmarine early this year, the admiral But the four Delta 4 submarines ported from Moscow.

already in the fleet have never gone on patrol, be said. The submarine's 10 warheads and has a range of nearly 5,000 miles, "apparently has suffered reliability problems," be

The top U.S. and Soviet defense officials, Frank C. Carlucci and General Dmitri Yazov, are expected to discuss efforts to shift military thinking from an offensive to a defensive posture when they meet in Bern on Wednesday, Reuters re-

PANAMA: Asylum for Noriega

(Continued from Page 1)

are under way to negotiate General Noriega's departure from power and that, as one Latin American envoy put it, his eventual removal nosi inevitable."

General Noriega, however, has said repeatedly that the only way to force him out of power would be to

The administration is understood to bave said it will weigh the Spanish offer seriously, But Mr. Ahrams reportedly told Mr. Yanez that Washington first would require a much clearer idea than is

According to the sources, Mr. Yanez's principal contacts were with Gabriel Lewis Galindo, a former Panamanian ambassador who heads the exile opposition, and lous 15-month investigation has ernment official said. Juan Sosa, recognized by the Unit-ed States as Panama's ambassador in Washington.

The sources said that Mr. Lewis and Mr. Sosa gave the opposition's which was appointed by Mr. Rea- The sale of Chinese aircraft to Iran blessing to the Spanish offer and gan to review the National Security would revive the Iranian air force, relayed it to General Noriega Council's role in the affair.

would revive the Iranian air force, according to government officials. blessing to the Spanish offer and through their contacts in Panama.

Walkout by Palestinian Policemen Portends a Wider Work Stoppage tween stone-throwing protesters attribute their decisions to coer-

By Alan Cowell

New York Times Service BETHLEHEM, Israeli-occupied West Bank — The Palestinian in-vestigative officer, who identified himself as Rames, rose Sunday morning, packed his Israeli police uniform in a plastic bag and went to the precinct by the Church of the Nativity and quit.

That fulfilled what he saw in part as an enforced political duty. It left only the question of bow be, and his wife and their five children would eat, once his last pay check, the equivalent of \$500, was spent.

"God will protect us," he said. His relatives had offered a little belp, too, be acknowledged with a kind of sby smile that sits uneasily on a sharp-eyed, mustachioed visage stamped; cop.

The resignation of the 33-year-old officer, on a blustery Sunday that switched rain for sun around Bethlehem's white stone churches, was part of a mass walkout over the weekend by about half the 1,000 Palestinians employed in the Israeli police in the occupied territories.

The action had been demanded the shadowy leadership of the three-month uprising in the occu-pied West Bank and Gaza Strip pied West Bank and Gaza Strip that has claimed at least 86 Pales-tinians lives, and wounded 186 Is-my decision very quickly." raeli soldiers in uneven banles be-

and Israeli troops.
It was, some diplomats contend-

ed, the most significant blow the insurrection has struck at the ties that hind Israeli and Palestinian and permit the Jewish state in exercise control over the people under

its occupation for the past 20 years. "I believe there is a new policy of Israeli economie squeeze," said the mayor of Bethlebem, Elias Freij. when commenting on Israel Radio reports Sunday that the occupation forces had ordered a halt on gasoline and other fuel supplies to the occupied territories for one week.

And then, echoing what seems to be a refrain among Palestinians when asked wbether the perceived policy will work, Mr. Freij said: "I know of people who are having hard times. But that is not going to

weaken the uprising."
The policeman who identified himself as Rames had quit after some consideration and a sense of coercion. "I heard the call from the pied territories. Palestine Liberatioo Organization that I should resign, so I resigned," he said.

But, a reporter asked, had his decision been affected by the killing of a Palestinian policeman in Other officers were less ready to

cion. The Israeli police, said Mohammed Mahmoud Abu Rayada, a former traffic policeman, told him "it would be better for me if I stayed. But I knew that my people agreed with the decision that we policemen should resign. The Israeli authoriues are said to

have offered pay increases, guns and life insurance policies to persuade Palestinian officers to remain with the police. Many have ignored those blandishments, and some reports this

weekend suggested that Palestinians employed by Israel to levy taxes on fellow Palestinians were also beginning to quit, as demanded by the uprising's underground leader-ship in its newest communique. "It's going to be like a snowball," Mr. Freij said of the resignations among some of the 12,000 Palestinians employed by what Israel calls the Civil Administration — a mili-

"It will drag many civil servants

tary bod, that supervises the occu-

to resign," he said.

About 45,000 Palestinians from the Gaza Strip, or half the area's labor force, and 55,000 from the West Bank, one third of the labor force, commuted to work in Israel before the uprising. The Israeli building industry relied for 37 per- cratic South Africa, then he was cent of its workers on Palestinians. revolutionary.

South Afric Is Warned By Defiant Churchmer

By John D. Bailers

CAPE TOWN - South Afr church leaders angrity distance Sunday government threats to lence them and restriated their port for civil disobedience at ani and well-aitended pre church services.

The South African governments signed its own death warran said the Reverend Allan Boss living God and survive" We are entering a new phase

persecution of the church but he can be no turning back, he told crowd of more than 2000 in George's Anglican Cathedral

"These of you who have then to follow Jesus Christ must folio him into the streets." he said, es in the face of "the water canno and tear gas" and armored pol vehicles.

Archbishop Desmend M. Tu said it was immoral to obey immo al and unchristian laws and warm the government that it had those the losing side in the struggle liberation.

Mr. Boesak and Archbis Tutu were among 150 churching arrested outside the cathedral to weeks ago on their way to present petition to President Pieter W. Be that at his parliamentary offer

which is near the cathedral Protest services similar to one in Cape Town were held Durban. Soweto. Port Elizabe and Pietermaritzburg.

The services marked the con memoration of National Detainer Day and served as a vehicle for anti-apartheid protest following the silencing of the United Demo cratic Front and 17 organization last month under a nationwi state of emergency imposed months ago.

A government decree publish Saturday also banned the church led Committee for the Defense of Democracy and what was to have been its first public meeting or Sunday at the University of the Western Cape. The protest service in St. George's Cathedral took the place of the meeting.

Security forces surrounded the university campus, about eight miles ()3 kilometers) from Cape Town, early Sunday and set in roadblocks at entrances to the city Despite the roadblocks busions of black and mixed-race anti-apart heid supporters made it to the ta

thedral. Archbishop Tutu reaffirmed his support for the political objectives. but not the methods, of the out lawed African National Congress He said that if it was revolutionar to work for a nonracial and demo

Impact of McFarlane Plea Is Uncertain

By Walter Pincus

Washington Post Service
WASHINGTON — Throughout the Iran-contra affair, Robert C. McFarlane was part of President Ronald Reagan's inner circle, one of a very few with firsthand knowledge of key decisions and events.

He was Mr. Reagan's national security adviser when secret aid to the Nicaraguan rebels, the contras, began in 1984. He was the prime mover in the elandestine arms-forbostages dealings with Iran. He was one of the few Americans who knew that funds from the arms sales were used to pay for support of the contras. And when the affair became public in November 1986, Mr. McFarlane, by his admission,

assisted others in covering up the

Against that background, Mr. McFarlane's guilty plea Friday on relatively mild criminal charges might be considered a signal that the independent counsel, Lawrence (Continued from Page 1) used to attack Kuwait from Irani-E. Walsh, had obtained the cooper- an-held positions at the opposite ation of a key witness with impor- end of the gulf. tant information to bolster his ex-pected main indictment, or perhaps after Chinese plans to send other open new lines of inquiry.

If Mr. McFarlane's plea only in the Security Council.
helps facilitate Mr. Walsh's case,
the question arises as to whether going through quite an internal deturned up significant new evidence beyond what was uncovered earlier lighter planes and missiles, is said by the congressional Iran-contra to be harely operational because of panels and the Tower commission, a lack of missiles and spare parts. Mr. McFarlane was able to strike

Friday's deal, one source said, because he is "a sympathetic case," such as perjury or making false the person who seemed the most statements to Congress, or plead-ber 1985, and Colonel North was tortured by his role in the affair, pecially after a suicide attempt. Mr. McFarlanc's distressed state

NEWS ANALYSIS mind clearly affected Mr.

alsb's approac Mr. Walsh had been pressuring the investigation by Mr. Walsh behim for months with threats of a felony charge if he could not clear up vague parts of the story with ditional information.

In the plea bargaining that went on in earnest this week between Mr. Walsb and Mr. McFarlane's lawyer, Leonard Garment, the choice came down to facing indict-

from Congress.

knowledge guilt for actions committed in his official capacity since

gan 15 months ago.

ing guilty to the lesser misdemean- the White House's prime operative ors of withholding information in bandling both support for the In agreeing to the plea bargain, Mr. McFarlane became the first former White House aide to ac-

Mr. McFarlane was a key link in 1984 and 1985 between the president and two White House aides, Vice Admiral John M. Poindexter and Lieutenant Colonel Oliver L. North, both of whom are targets of Mr. Walsh's inquiry.

contras and programs to free U.S. hostages held in Lebanon.

When Mr. McFarlane testification publicly before the Iran-contra panels last May, he said he wa unaware of the breadth of Colons North's contra operations, including the raising of funds for the support and the offering of military advice at a time such activity wa harred by Congress.

In pleadings Friday, Mr. McFar lane in effect admitted he know Colonel North was doing those Mr. Poindexter was Mr. McFarthings.

CHINA: U.S. Worries Over Possible Sale to Jets to Iran

sophisticated weapons to Iran. The to supply Iran are surface-to-air open new lines of inquiry.

Mr. Walsb said Friday that Mr. United States opposes all arms MeFarlane's plea is not considered sales to Iran and has been pressing for a UN-sponsored embargo. Chiresidence there.

> the independent counsel's meticu- bate on this issue," one U.S. gov-Iran's air force, which uses U.S.

according to government officials.

The officials declined to spell out

sale might be in the offing. One official spoke of reports that Iranian pilots have visited China. Among the other major weapons

that the officials said China is able missiles, which bave already been delivered in relatively small numbers, and ship-mounted anti-ship missiles resembling the Silkworm, which usually is based on land. China's CSA-1 anti-aircraft mis-

sile, which is a version of the Soviet-designed SAM-2, has been deployed at Bandar Ahbas, a large air and naval base on Iran's southern Gulf coast; at Kharg Island, the oil loading terminal in the northern Gulf, and in areas where Iranian land forces are massed.

Iran, which faces steady attacks

the basis for believing that such a der to improve its generally poor anti-aircraft defenses.

Officials said China may have provided as much as \$1 billion worth of weapons to Iran last year. Not only does this represent a me jor source of foreign exchange, they said, but the sales, combined with arms sales to Iraq and other nations, are establishing China as provider of arms to the Third

Offsetting these benefits, they said, are the strains on Chinese American relations that have resulted from the sales, especially of Silkworms. The United States for a time suspended reviews that could lead to selling high-technology goods to China as a way of pressing for an end to Silkworm sales. That suspension was tifted when China hy Iraqi aircraft, is said to need many more of these missiles in or
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INTERNATIONAL POSITIONS You will find below a listing of job positions published last Thursday under the rubric International Positions.

	-			
TITLE	SALARY	EMPLOYER		
SYSTEMS ARCHITECTURE CONSULTANT	Very attractive	Digital.		
MARKETING MANAGER	Attractive R.J. Reynolds Tobacco			
INFORMATION OFFICER	Good	Int. Irrigation Management Institute.		
HEAD OF GROUP	\$100,000 Tax Free + Benefits	SABA & NAGLE Int.		

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Novilly Codex, Franco. Tel: [1] 46.37.93.81. Tolex: 613595

70 Killed in Nepal Soccer Stadium

government, denying any official (129 kph), negligence in one of Nepal's worst

At a nev disasters on record, began an inves- Home Minister Narajan Thapa tigation Sunday into the deaths of 70 people in a stampede by soccer fans caught in a hailstorm.

Ninety people were injured in the incident, including 15 who were witnesses that the police and offihospitalized in critical condition. The deaths occurred Saturday when a severe hailstorm prompted a crowd of spectators at a soccer southern exit. He accused certain match between Bangladesh and

Nepal to rush toward the southern exit of Dashratham Stadium.

said that the hailstorm was accom-KATMANDU, Nepal — The panied by winds at up to 80 mph that people threw stones at private At a news conference on Sunday,

said that the government had appointed a judge to investigate the Mr. Thapa denied reports by

cials of the government sports authority had compounded the disaster by blocking the stadium's people, whom he did not name, of "twisting the facts."

cars that refused to pick up victims.

Mr. Thapa denied any government negligence. He also said reports that the incident was made worse by a shortage of medicine and doctors at city hospitals were

"The government did its duty immediately." he said.

Officials were still trying to iden tify many of the dead on Sunday, and police were deployed around hospitals to control the crowds that Witnesses also said that only one gathered to await news of their re-The Department of Meteorology ambulance was at the stadium to atives and friends.



By John D. Ballon APE TOWN South inch leaders angals designed to them and remember them and remember them and remember them are for each disabeline of the control of the cont The South African good Maries it was death O BOYCE THE TWO IS the Color and Johnson We are distoring a leng be the first that the Catholic State Cappeter Those who hared Steels Me 24. the face of the water dill was to see 2 looking f generation that a bold rested to the called Services inch with mine Min of Free deat Page 1 A di li 125 tamento / state a fre a tre cuttered. 18 har Som For For

The Ariane-3 rocket blasting off in French Guiana. The state of the state of

d Platere, a troung

18 CT . 4

RAIL HILLS

Ariane Rocket Sends 2 Satellites Into Orbit

PARIS — The French telecommunications satellite Telecom-IC, which was launched by a West European Ariane-3 rocket in French Chiana on Friday, was moved into its prearranged Earth orbit on Sinday, the French Telecommunications Ministry announced.

On its fourth circuit of the Earth since the launch, the satellite's engine was fired for 45 seconds to take it into a geostationary orbit more than 22,000 miles (36,000 kilometers) above the equator.

The maneuver was important for the operation of the satellite, which joins the Telecom-IA satellite to provide telecommunications links be-

tween France and its overseas departments, military communications and television and radio transmission facilities.

CHAIN THE REPORT OF THE Early Monday it is due to point itself toward the sun and extend the solar panels that will provide it with power.

It will be fully activated next month and become commercially opera-

The other satellite launched by the Ariane-3, Spacenet-3R/Geostar Rol, owned by GTE Spacenet Corp. of the United States, is not due move into its final position until Tuesday.

WEU Stagnation Tied to London-Paris Quarrels on Defense

By Joseph Fitchett International Herald Tribune

PARIS -- The Western European Union, the seven-nation organization revived four years ago to galvanize European military coopcration, has sunk into institutional stagnation, according to a former organization official

Most senior officials have been dismissed and its embryonic bureaucracy shut down.

In an open letter to the organization, Eric Hintermann, who was its years of tranquillity, gained brief second-ranking permanent official international prominence last year until he was dropped in January, said that its problems reflected what he called "Europe's inexis-tence at the defense level."

that the organization was the victim of a clash between France and Britain about European defense. Alfred Cahen, socretary-general, could not be reached for comment.

from Belgium who has been widely istries could meet and agree," a praised for his efforts since taking diplomat said, adding: "That forover the job three years ago, report—mula is the way ahead."

Hintermann's assertions, acknowledged that the bureaucracy has been deliberately paralyzed by member governments and agreed with him that its difficulties can only be overcome by political decisions in European capitals. The organization, after many

with two accomplishments: Under its auspices, European governments agreed to dispatch warships most other senior officials, were to the Gulf in the summer, then dismissed late last year, when Brit-Mr. Hintermann, named to the agreed in October to a "platform ain and France proved unable to post by President François Mitter- on European security interests," agree on the organization's future. rand of France, said in an interview which was a statement endorsing France has championed the exnuclear deterrence.

turned itself into an umbrella un- ance. Britain, however, wants any der which officials from national tighter military cooperation among But Mr. Cahen, a career diplomat defense ministries and foreign min- European allies to take place with

absorb the lessons of their past.

clinic and several others were taken

to a hospital. Identities of the dead.

Swedes have not been established.

women, were identified by their rel-

The two Austrians, both local

Swedish tourists and two Austrians train had passed.

were killed by two avalanches that St. Anton is located in the Arl-

Sunday. As many as 20 more per-fyrol and Vorariberg, It is the cen-sons may have been injured when ter of a well-known ski area that

masses of snow buried several has traditionally attracted Scandi-

tion were flown to an Innsbruck some of which had stood for 300 to

houses in the village, the police navian and British tourists.

edly is seeking a new posting.

Agreeing on the need for strong
Diplomats, asked about Mr. leadership from European governments, Mr. Hintermann, in an open letter calling for organizational reforms, deplored European govern-ments' refusal to let the bureaucracy start working on defense issues with European implications. Because of the dispute between Britain and France, he said, the organization had finally "gutted" its own

Mr. Hintermann, together with

small permanent staff.

nuclear deterrence.

Both times, the WEU sidestepped its own bureaucracy and U.S. strength in the Atlantic alli-

France which withdrew its forces from NATO command on also curtailed the direct high-level July 1, 1966, is politically more political ecoperation that was comfortable with the European organization and argues that it' purely European identity would attract ments resulted in a decision last fall more Europeans to the notion of doing more for their own security.

While some British cabinet ministers reportedly share this French view. Prime Minister Margaret Thatcher has resisted any step that might create what one official called "a European caucus liable to since its creation in 1954, was rejudestroy the broad consultations inside NATO and make the Americans think that they are facing a European bloc."

France sponsored the revival in a bid to strengthen Europe's voice in vironment is changing, the Permasecurity issues after President Ronald Reagan had disconcerted many itself to permanent bureaucratic reallies with policy initiatives such as structuring and endless clashes his Strategie Defense Initiative in over the place of collocation."

in the North Atlantic Treaty Organization. ingly active role in trying to shape European views on NATO affairs. Britain, Mr. Hintermann said.

> Quarrels among member governto effectively shut down its Parisbased departments - for security, arms control and arms cooperation. These were seen by many as embryonic European agencies in key military areas when the organization, which had been dormant venated in 1984.

> As a result, Mr. Hintermann said, "instead of tackling the major problems of Europe's security, at a time when the politico-strategic ennent Council is joyously devoting

1983. Recently, bowever, Mrs.

The "collocation" issue entails. Thatcher has assumed an increas-choosing a single city for all of its

offices. Currently the secretariat, which works closely with members of parliament from the seven member nations, is in Paris. But the . Permanent Council, comprising ambassadors who report to their governments, is in London.

Britain wants all the offices moved to Brussels, where NATO is headquartered, but France wants it to be headquartered in Paris. Deadlocked, member governments decided in December to shut down, in effect, its small bureaucraev.

As a result, Mr. Hintermann said, "during the Washington summit between Reagan and Gorbathey, the WEU did not spend one second discussing Europe's security. Instead, it spent its time discussing how to reduce the staff in its offices, from officials to drivers."

Since 1985, he said, the secretariat had been forbidden by member governments from convening a-meeting of its committee on multilateral cooperation on developing

In his open letter to European legislators, Mr. Hintermann urged reforms which are consistent with French government views - for example, designating top-rank offi-cials in all capitals to run it, using its departments to start formulating European security issues and expanding the organization, starting with Spain and Portugal.

Viennese Jews Gather to Mourn Victims of Nazism ed to a tent pitched on that site for tion that sounded from the cellars marked the conclusion of the "days Hofburg Palace, from which his a commemorative ceremony pro- of this site be a constant reminder of remembrance" that began Fri- family once reigned over the Aus-

By Serge Schmemann

New York Times Service VIENNA - About a quarter of Vienna's 6,000 Jews crowded into their oldest synagogue on Sunday to commemorate the destruction a half-century ago of their oncethriving community.

"We've gathered for this memorial without any official guests, the chief rabbi, Chaim Eisenberg, said in a brief address. "No one can share our pain. No one can feel our

The memorial service in the community center in the old Jewish quarter was a high point of the days of remembrance marking Austria's absorption 50 years ago by Hitler's Third Reich. The anniversary has prompted considerable soulscarching over the degree to which Austrians welcomed the Anschlass

and assisted in Nazi crimes. "It is good that the lessons of the Ansehlnss are at last being learned," Rabbi Eisenberg said after the service. "But I would have preferred if they had been spread over the past 50 years."

The persecution of Austria's 190,000 Jews began almost from the moment Hitler made his triumphal entry into Austria. Joined by taunting crowds of Austrians, the Nazis forced Jews to scrub side-walks, gitters and toilets. Tens of thousands were jailed, their property confiscated; tens of thousands were forced to buy their way out of the country, and 65,000 were killed. Much of that suffering and terror took place in the Gestapo headquarters around the corner from

ponce said the Swedes were by separate avalanches in the same province on Saturday.

They stayed in a boarding heart. that was destroyed by the snow-The two avalanches roared down the synagogue. After the service, most of the congregation proceed-

sided over by Paul Grosz, the presi- to us," Mr. Vranitzky said. "We all dent of the Jewish community, and try to make the things that hap- Austria's last independent prewar Chancellor Franz Vranitzky.

Mr. Vranitzky was greeted with to make them ton personal or diffrom Hitler. enthusiastic applause, an evident rect. But behind the walls in this tribute to his strong stance against place, and in Berlin, and in Ausch-

on the moral need for Austrians to

Killed as 2 Avalanches Hit Austria

hit St. Anton in the Arlberg on berg area between the provinces of has fallen since the hizzards began,

id. The snowslides ripped off roofs ton, on Thursday. A member of the Three Swedes in critical condi- and knocked down walls of houses, prince's party was killed.

Policemen said the two ava-

about 400 meters (132 feet) and a rest of the country.

height of up to 10 meters.

Even the road tunnel under the

30,000 people. Among them are where the police said many roads former Queen Juliana of the Neth-had been closed because of possible

lanches had a combined length of

merons avalanches and trapping

7 A.M., engulfing a gasoline sistion band, Prince Bernhard, vacation- lages were cut off. (AP. Reuters)

400 years, a policeman said.

day, the anniversary of the day tro-Hungarian Empire.

most widely discussed events of the anti-Semitism and to his forceful witz, the people who worked were weekend was the appearance of speeches over the past three days very much individuals."

Otto von Hapshurg, 75, the son of Although many more events the last Austrian emperor, at the sorts the lessons of their past. commemorating the Anschluss are head of special commemorative "Even if we can no longer bear scheduled in this anniversary year, services in St. Stephen's Cathedral

them, let the screams of despera- the Jewish memorial services and then at a reception room at the

Prince Charles of Britain nar-

rowly escaped an avalanche in

Klosters, Switzerland, 45 kilome-

ters (20 miles) southwest of St. An-

Virtually all Alpine roads in

western Austria were closed and

the nation's westernmost province,

Vorarlberg, was cut off from the

West German state of Bavaria,

Officially, Mr. von Hapsburg was presiding over memorial services by the Pan-European Union, One of the more curious and an organization that seeks greater European integration, for the Austrian nationalists who fell to the Nazis. Mr. von Hapshurg himself had liercely opposed union with Nazi Germany and had offered to step in us head of state to rally the nation shortly before the Anschluss, which Hitler had nicknamed Operation Otto.

The appearance by the descendant of the emperors and his family, however, attracted a broad variely of Austrian nationalist Compiled by Our Stoff From Dispatches and several bouses before they ing in the resort of Lech in the INNSBRUCK, Austria — Five blocked a rail line minutes after a Ariberg mountains above St. Angroupings to St. Stephen's, They ranged from marching bands and honorary regional militia to ancient About 1.8 meters (6 feet) of snow

Catholie student organizations. Two rows of flag-bearers lined the main aisle of the Gothie cathe-dral and several hundred people who had gathered for the Mass broke into applause when Mr. von Hapsburg entered. At the end of the service, Mr. von Hapshurg led the colorful assembly to the Hofburg Palace, where he gave an address urging Austria to join the European Community.

Raids on U.K. Soccer Gang

Reusers LUTON, England - The British police on the trail of a gang of soccer hooligans seized 17 youths and an array of weapons Saturday in raids before the English Football Mount Zwölferkopf shortly before erlands and her German-born hus-7 A.M., engulfing a gasoline sistion band, Prince Bernhard, vacation-lages were cut off. (AP, Reuters) tween Luton and Portsmouth.

Summit Visits Planned by Kohl And Gorbachev

BONN - Chancellor Helmut Kohl will visit Moscow late this year, and the Soviet leader. Mikhail S. Gorbachev, will go to Bonn in the first half of next year, the chancellery said Sunday.

Announcements made simultaneously in Bonn and Moscow ended months of speculation and con-firmed that Soviet-West German relations were back on a cordial path after a chill during the past year. Dates for the trips will be

Mr. Kohl wanted Mr. Gorbachev to visit Bonn in the first half of this year, during West Germany's six-month presidency of the European Community. But the Soviet oreign minister, Eduard A. Shevardnadze, ruled out a visit so soon and, according to West German sources, suggested that Mr. Kohl

go to Moscow first. Mr. Kohl offended Mr. Gorbachev when, in November 1986, he compared the Soviet leader with the Nazi propaganda minister, Joseph Goebbels. Moscow immediately canceled a series of ministerial visits, even as East-West relations in general were gradually

ता कार के देश कर की कि उद्योगिक का No was among the market of by Hebe Dorsey Eye witness accounts of a shimmering era and its beautiful people — dazzling scandals — and crazy crazes - including the horseless

the archives of the old Paris Herald (original name of today's Trib) and collected the great news stories of the turn of the century - along with glorious, gossipy tid-bits, records of labulous galas, sturming fashions, gentlemen's

duels and "crazy inventions." With hundreds of excerpts of articles, delighful vigneties and 147 illustrations, this book is a vivid evocation of a period no one imagined would ever end. A great gift idea.

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carriage and flying machine! Long-time Trib fashion editor, Hebe Dorsey went into

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Greece in the 1990's NEW TRADE AND INVESTMENT OPPORTUNITIES

A second major conference cosponsored by the International Herald Tribune and American-Hellenic Chamber of Commerce. Athens, March 28-29, 1988

The conference will be addressed by Prime Minister Dr. Andreas Papandreou along with those members of the government most directly involved in formulating and implementing the policies that will affect the future business dimate. Additional presentations will be given by leading government officials, bankers and businessmen. Simultaneous translation will be used at all times. Senior executives wishing to register should complete and return the registration form today.

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Panayotis Roumellotis, Minister of National Economy
TRADE: NEW OUTLOOKS
Nicholas Akritides, Minister of Trade
ENERGY AND NEW TECHNOLOGY
Anastasios Peponia, Minister of Industry
MONETARY POLICY AND TAX INCENTIVES
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INVESTMENT INCENTIVES AND PROSPECTS
Theodore Karatzas, Deputy Minister of National Econo Theodore Karatzas, Deputy Minister of National Economy 1992-THE CHALLENGE FOR GREECE Jacques Defors, President, European Commission INTERNATIONAL ECONOMIC RELATIONS Yannos Papentoniou, Deputy Minister of National Economy THE PRIVATE SECTOR

THE PRIVATE SECTOR
Theodore Papaleocopoulos, President, Federation of Greek Industries
SUSINESS IN GREECE: PANEL DISCUSSION
John Grimes, Vice President, General Dynamics International Corp.
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Leonidas Koskos, President, The National Council of Free Enterprise and
President, Food Industry Association
Moderator: Althanassios Frontistis, President, Hellenic Export Organization
Recention and Directors

Reception and Dinner GUEST SPEAKER Andreas G. Papandreou, Prime Minister of Greece TUESDAY, MARCH 29 THE DEFENSE INDUSTRY
Stathis Ylotas, Alternate Minister of Defense. THE SHIPPING INDUSTRY Eustathios Gourdomichalis, President, Union of TOURISM AND RELATED PROJECTS
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GREECE: THE CHALLENGE OF THE 1990'S Ambassador Edward E. Streetor, former US Ambassador to the OECD GUEST SPEAKER
HIS Excellency Robert V. Keeley, US
Ambassador to Greece
Close of Conference

CONFERENCE CHAIRMEN Pennetre N. Petstavas, President of the American-Hellenic Chamber of Commerce Charles J. Politis, President of the American Hellenic Chamber of Commerce Axel Krause, Corporate Editor, International Herald

14-3-88

REGISTRATION INFORMATION
The fee for the conference is £250

participants registering from outside Greece. For those registering in Greece, the fee is Drachma 50,000. The fee includes lunches, a dinner and conference documentation. Fees are payable in advance of the conference and will be returned in full for any cancellation that is postmarked on or before March 11. Cancellations after this date will be changed the full fee. Substitutions can be march at any time. made at any time.
The sponsors reserve the right to amend the

program if necessary.

CONFERENCE LOCATION:

Hotel Athenaeum Interconfinental, 89-93 Syngrou Avenue GR 11745 Athens Greece A limited number of rooms has been reserved to participants at preferential rates.

	Herald Eribun
1	

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Shamir Has It Wrong

Thirty U.S. senators wrote to Secretary of State George Shultz to support his Middle East peace plan and to criticize Prime Minister Yitzhak Shamir for rejecting the heart of the plan: land for peace. The Israeli leader replies that he is "astonished" by the letter and that the only valid part of the Shultz plan is the secretary's signature.

Perhaps Mr. Shamir badly misunderstands the senators' wisdom and restraint. Or perhaps he gets their point all ton clearly, but irrevocably opposes giving up land for peace in the West Bank and Gaza.

Either way, on the eve of his meetings in Washington this week Prime Minister Shamir is making a mistake. Those 30 senators are among Israel's firmest friends, as are President Reagan and Mr. Shultz; so are the likely presidential nominees. Their com-mon message is that if Mr. Shamir's Likud bloc remains committed to the status quo, it will damage tsraet's security over the long run. They are also relling him that Israel should not be or appear to be the obstacle 10 serious negotiations.

The confrontation in the occupied territories is in its fourth month. Mr. Shultz responded to it with a new proposal: an international conference to legitimize direct negotiations; immediate talks on Palestinian self-administration of the territories; overlapping talks on a long-term settlement based on peace for land. Foreign Minister Shimon Peres says he would go along, but Mr. Shamir balks, vehemently, Yasser Ara-fat, leader of the Palestine Liberation Organization, says he is also opposed, although he tries to make positive noises about peace.

Two of Israel's staunchest American supporters - Senators Rudy Boschwitz, a Minnesota Republican, and Carl Levin, a Michi-

gan Democrat. organized their colleagues to reaffirm the principle of land for peace as a basis for negotiations. Their letter did not call on Israel to relinquish all of the occupied territories. On the contrary, it showed appreciation for territorial adjustments to protect Israel's security. The letter did not call on Israel to accept the Shultz plan as is or to weaken Israel's bargaining position. It called for Arab undertakings to match. Nor did it condemn Israel's handling of the violence; many of the senators sympathize with the need to be tough to restore order.

Mr. Shamir's response to the senators was mostly sophistry. He wrote that he accepts UN Resolution 242, which calls on the parties to trade land for peace. He insisted that the terms of the resolution were fulfilled in the Camp David peace agreement of 1978 whereby Israel returned the Sinai to Egypt. And he argued that this principle does not apply to the occupied territories. These, he maintained, are covered by the Camp David accords' formula of local self-government for the Palestinians. Mr. Shamir did not mention

that he has never supported those accords. Mr. Shultz rightly calls the growing Arab population under occupation a "ticking de-mographic time bomb." He and the 30 senators recognize that a hurried and unsatisfactory peace would be equally dangerous. They know as well that a negotiating process might lead to one-sided pressures on Israel. Mr. Shamir has used these problems as an

excuse to procrastinate and avoid negotiations. Israel's friends in America are trying in tell him that it is time for him to start thinking about how to manage and overcome the problems. Perhaps on his U.S. visit this week he will get the message.

-THE NEW YORK TIMES.

The Past Is Falling Down

You wouldn't want to drop it on your foot, hut hy any other standard the slab of stone that fell off the shoulder of the Sphinx last month - about a meter long and weighing 300 kilograms - is small to have caused such panic and uproar. The Sphinx stands 20 meters high, after all; its lion's body stretches 50 meters and its human face has been staring out over the Sahara for 4,600 years, during which time it has lost numerous bits and chunks and undergone periodic repairs. But the usual ravages of the years - sandstorms, tourists, seeping groundwater — have sped up so much in the last century that the Sphinx, like many other ancient monu-

ments, is now in serious danger of crumbling. Since the slab fell, archaeologists and engineers have swarmed over the site talking about chemical injections to the stone, steel support bars and groundwater pumps. (Water sucks in salt, which cracks the rock when it crystallizes.) Some think that the increased tourist amenities around the Sphinx and the adjacent Pyramids have contributed to the rising dampness - that and the urban sprawl of nearby Cairo. Others say it is the higher water table that came with the agricultural expansion and hightech dams that have so benefited the country's economy. Monuments closer to the Nile, such as the 3.000-year-old temples of Luxor, are cracking even faster.

It is one of the most vexing and emotionally fraught questions of development and technological progress: How do you preserve the world's cultural treasures without sealing them off from viewers or stopping a modern-day country in its tracks? The Sphinx has held up so well partly because it has spent

long periods of its life buried up to the neck in sand. Admirers in successive ages, though, keep digging it out. (One of the first of these, according to legend, was a young noble of the Middle Kingdom who went to sleep at the base of the then 1,000-year-old statue and dreamed - correctly, it turned out that if he cleaned up the Sphinx be would become the Pharaoh Thutmose IV.) The other dangers, such as water damage and pollution, are likewise inextricably linked to tourists' fascination with these monuments, the roots of our civilization, and with the government's logical feeling of obligation to let them be seen and fully appreciated.

The problem is by no means confined to Egypt. All over the Middle East, big development projects crucial to economie advancement, such as dams, are raising the waterlevel or flooding sites outright, while archaeological teams race to move or preserve what they can. Meanwhile, cities such as Alhens fight to reduce the air pollution that is rotting the surface of their most revered monuments. Processes to halt decay are still imperfect and are hugely expensive, and besides, "You can't just put a Baggie over everything." notes the chief Egyptologist at New York's Brooklyn Museum.

The American government no longer pours large sums of money into overseas archaeology, as it did in flusher times -although many museums and universities provide private money and expertise. But the ited States needs still to spare a for a pressing cultural responsibility that weighs on most other countries and that America's relative youth spares it.

- THE WASHINGTON POST.

A Laugh on the Thugs

One of the most effective weapons avail-able to government in the fight against organized crime, and the narcotics trade in particular, is the forfeiture of assets that have been the instruments or the fruits of criminal activities. Forfeiture provisions were greatly strengthened by the U.S. Congress in 1984 and again in 1986, and in recent years law enforcement authorities have seized many hundreds of millions of dollars in property in civil proceedings or as penalties after conviction. Last November. for example, federal authorities in Miami took possession of \$15 million in assets, including real estate and racehorses, belonging to members of the Medellin drug cartel. Automobiles, mansions, yachts and airplanes have also been confiscated.

What happens to all this property? Initialty, it has to be managed. Someone has to feed the racehorses and find a place to keep the yachis. Ultimately, tangible assets are sold and cash is deposited in a special fund in the. Treasury. Monthly deposits currently average \$21 million. The attorney general has the authority to share some of these proceeds

cies that have cooperated with federal task forces on cases which result in forfeitures.

The main purpose of the forfeiture laws. of course, is deterrence. If the kingpin's eastle and the pusher's costly sports car can be confiscated, some of the incentive for accumulating these status symbols in the drug trade will evaporate. An incidental benefit is that the program is self-sustaining. All Iraining programs, administrative expenses, management services, legal advice and sales expertise needed in the handling and conversion of these assets are more than paid for hy the money generated. And still there is more. Congress has begun to look at the forfeiture fund as a source of money for other programs. Legislation was recently passed to earmark 50 percent of the reserves for the Bureau of Prisons, for example. It is ironic that the fund might be tapped to support, in prison, some of the very gangsters whose assets were used to create the fund. For once the taxpayers might bave the last laugh on the thugs. -THE WASHINGTON POST.

Other Comment

Fewer Wars in the Future?

[The] post-1945 tally of 17 million war deaths is in absolute numbers bigger than the Great War's toll, and half a fairly cautious guess of what the worldwide slaughter of 1939-1945 may have added up to. The fact that since 1945 the northern half of the world has been kept more or less at peace by horror-struck memories of those two murderous spells, and by nuclear nervousness, lulls complacent northerners into ignoring the world's other half, where war remains

a commonplace and the carnage continues. Will it go on being so ghastly? No, if two apparent changes for the better in human attitudes outweigh what modern technology can do in the hands of man's residual barbarism. The first is the probably declining power of ideology as a cause of war. The other is that wars of national identity - the sort of conflict in which one people breaks away from another's grip -are inevitably on the decrease, because most such breakaways have already been allowed to take place. - The Economist (London).

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OPINION

An Urgent Appeal to Washington, London and Bonn

C APE TOWN — Black South Africans have exercised the most remarkable patience in pressing for their human rights.

In the 1950s they launched a nonviolent defiance campaign. In 1960 their peaceful protests were met with the bullets of Sharpeville and the banning of the African National Congress and the Pan-African Congress. With nothing to show for balf a century of pleading, the black leadership went underground or into exile to begin an armed struggie.

But the peaceful campaigning went on, with Steve Biko and other young black intellectuals forging a new philosophy of hlack consciousness that helped people assert their humanity and self-respect. The uprisings of 1976 began as peaceful protests by our children against their fifth-rate education and turned violent only in reaction to police bullets.

in the 1980s the pattern has continued. While increasing numbers, the young in particular, have chosen violence as a last resort, many of us still explore every last possible peaceful avenue for change. We have developed a range of organizations (the larges) of which is the United Democratic Front, a coalition of about 600 anti-apartheid groups) whose purpose is to resist a government that in 1984 went so far as to incorporate apartheid into the constitution by creating separate chambers of Parliament for different races.

We have used many nonviolent ways of trying to bring ebange, such as strikes, rent strikes, consumer boycotts. The authorities have responded with states of emergency and tightened emergency regulations. They ban By Desmond M. Tutu

The writer, winner of the Nobel Peace Prize in 1984, is Anglican archbishop of Cape Town and head of the Anglican Church in Southern Africa.

peaceful protest, detain our children and ban our leaders. Step by step, since 1985, President P.W. Botha's government has closed off avenue after avenue of peaceful political change. Just over a fortnight ago the government removed nearly all effective means of working

for true change by peaceful means when it prohibited political activity by 18 organizations and banned f8 leaders, What other church leaders and f found particularly horrifying were the restrictions placed on two leaders of the United Democratic Front

who had been advocates of peace in two of the most desperate crisis areas of our land — at a squatter camp in Cape Town and in the townships around Pietermaritzburg in Natal. in an unusually strong statement, we argued that when we saw the banning of these leaders, the harassment of peacemakers, the failure to arrest people against whom there is clear evidence of murder and assault, we could only

conclude that "the authorities are deliberately

obstructing peace in our country and encouraging violence among our people."

"Their purpose," we said, "is to use surrogate forces to smash effective opposition to their heretical policy of apartheid, and to ensure as far as possible that it is the blood of black people, and not of white people, that is spilled in purposers of their sim."

spilled in pursuance of their aim If allowed to continue, the deliberate incitement of violence in our country will turn it into a Lebanon-like wasteland. We felt so strongly about this that on Feb. 29 we tried to proceed to Parliament to present a pention calling on the government to turn from the path it had chosen. The most creative response to a peaceful act of Christian witness that the government could come up with was to arrest us.

ft has become abundantly clear that the present government has chosen a military option for the future. The law and order minister, Adriaan Vlok, has spoken openly of a need in "eliminate radicals and revolutionaries." Not only does the government threaten the

security and lives of the people of South Africa. it is destabilizing the whole of Southern Africa and threatening the interests in the region of its major trading partners, including America, Brit-ain and disease Germany. Even if its most extragavant claims of a power sharing deal with blacks were to be believed, they offer no more than token black faces in the cabinet. The govern-ment has no intention of relinquishing control. As one who believes that one ought never

resort to violence, I also believe there can come a time -as when the Nazis invaded Europe when it is justified to take up arms to overthrow an unjust system. I can therefore sympa-thize with those who have already decided that violence is justified. For myself, though, I agree with Allan Boesak, head of the Dutch Re-

formed Mission Church and a patron of the United Democratic Front, when he says the we must not descend to the government's level in responding to it with violence. That is the reason why a number of us in Cape Town have formed the Committee for the Defense of Damocracy to fight peacefully against the government's suppression of its opponents.

Imagine our despair, however, when those of us who counsel desperate people to take nowing lent action woke up to the news that the United States and Britain had once again vetoed international attempts to do the same. The American and British decisions to veto sanctions in the and British decisions to veto sanctions in the United Nations Security Council were all the more staggering in the beht of the South African representative's arrogant challenge to the Security Council to "do your damnedest."

I want to issue a challenge to the U.S., British

and West German governments. You say you are against apartheid. If so, then make three demands of the South African government:

First, the state of emergency must be lifted.
Second, last month's restrictions on our peoples' organizations and leaders must be lifted Third, detainees, particularly children, must be tried in open courts or released.

If the government does not meet these demands, you must cut diplomatic ties. That would not be a radical step to take in the circumstances. It is not going to cost jobs and lives. It would be a gesture, but a dramatic one with profound psychological consequences for those who wield power in South Africa.

Or do you want another Lebanon? The New York Times.

Controlling the News: If Trouble Is Real, It Needs to Be Known

By Flora Lewis

Stop the Soviet Arms Flow to Central Americans

By Oscar Arias Sánchez

The writer is president of Costa Rica, He received the 1987 Nobel Peace Prize as author of a peace plan for Central America.

would act accordingly. If you did that, the entire world would see that the new political position you have offered mankind is the right one, with the

In Central America we live with the threat of death, with the cruel reality of death and with the uncertainty experienced so often by the Soviet people throughout their dramatic and heroic history. In order to establish a peace plan in Central America, we have worked tirelessly to ban convenienced, we have supported to the contral americant the state of the contral americant the con

democratic countries. I have spoken against war through the media in the United States and in

inner force of my own convictions, at the White

strength to generate an era of peace.

ONDON - South Africa's ban on news coverage of violent repression, especially by television, has worked in a sense. There is no longer icy makers don't hear about the issue," said the New York-based Africa Rea steaming head of outrage in the United States and Western Europe, or demands for greater outside pres-sure on the regime. That is the conclu-sion of a conference here on "South Africa: Controlling the News." It was a highly critical conference, with a lot of media self-examination

and ideas about how to keep information coming nonetheless. The violence continues; more or less abstract reports continue. But there are no more shocking action pictures,

and that has made a noticeable differ-

ence in public concern, "When viewers don't see the story, legislators and pol-

E STEEMED Mr. Gorhachev: In your book "Perestroika," you have indicated your support for the Central American peace efforts, the Guatemala accords as well as the change toward

democratization we have been fostering, f would

like to urge wholeheartedly that you help make

your support for our peace efforts a reality by

eliminating the arms supply to our region.

If that world which we timidly dare to dream about has an authentic expression in your coun-

try's policy, all military participation by the Soviet

Union must cease immediately in our part of this

hemisphere. We know that in the North American

system military aid is discussed on television. That is why we can fight it —by using the same media. We also know that arms supplied secretly and treacherously are even more deadly. But we have

no means to fight against such practices.

In the U.S. Congress, we have achieved a chance for peace in Central America. One might think

that you would like to avoid being held responsi-ble for several more years of fruitless war, and

port. "When even candidate Jesse Jackson doesn't list South Africa in a mass mailing as one of his principal issues, apartheid seems to have gone away."

Of course, it hasn't. And of course in discussion about the effect of muzzling the press and blinding the camera, there was reference to the violence and re-

pression in Israeli-occupied territories.

One of the evident differences in the press restrictions imposed by South Africa and those proposed by some Israeli officials is that Pretoria's prime domestic purpose seems to be to convince the extreme right that it is capa-ble of cracking down. Telling about

the arbitrary way they are regulated. South African journalists concluded that the restraints were mainly "symbolie" as far as home opinion was concerned. The big point, they said, was to shield South Africa's "image"

abroad and ward off foreign pressure.

The message to the world matters even more for Israel, which is much more dependent on friends abroad. But the message to Israelis also mat-ters as they see their sons driven to behave intolerably. The simple, tactical temptation for the government is to order, "Don't let them see. Don't let anybody see. Then things will calm down. Trouble will go away."

South Africa understood from the Philippines that world reaction can make a difference. Some Israelis would like to suppose that they can learn from South Africa to brazen out

challenge by drawing the curtains.

But the real danger in both countries is that festering, hidden violence will wipe out what chances remain for negotiated settlements, the only afternative to vast, bloody destruction. Both governments are doing what they can to silence the people who might talk with them. Both face mounting radicalization, on right and left, and therefore waning acceptable solutions. South Africa may be winning some time with its blackout - not a deliberate pun, although the double meaning is inevitable, But that time is for sink-

ing further into the abyss. Hennie Van

House and in the U.S. Congress. We have

achieved some success. We are listened to as free

men who are seeking an opportunity for peace,

I cannot use the same means to convey to the Soviet people my message that the arms they

produce and export to the Central American re-

gion are causing death and desolation while con-tributing nothing to our efforts for peace. In the fight to establish peace in Central Ameri-ca there are neither "clean" nor "dirty" weapons

of war. We should not substitute one dogmatism

for another or one dictatorship for another. The

path toward liberty and democracy requires pluralism. For over 100 years, Mr. Gorbachev, the

Central American people have cried out for an

opportunity for peace. The arms coming from the

ance, deepen present grievances and make agree-ment more distant. Once again, Mr. Gorbachev,

The New York Times.

Deventer, a pro-regime Afrikaner and editor of Die Volksblad, saw the major threat now from the neo-Nazi right. Israel, which has not shin down unpleasant reporting, is gaining some

insight that can save it from catastrophe. Former Foreign Minister Abba Eban, in The New York Times, quotes the historian Shlomo Avneri saying "A Greater Israel is not more seeme but less secure for Israeli Jews." Zeev Schiff, the influential Israeli military correspondent, will have more listeners when he points out that Isra-

et's beloved army is being drained by repressing civil disorder. "Many Israels came to believe that the occupied teni-tories gave Israel added security," he wrote in the Paris paper Liberation. "In the light of recent events, it is evident that even if they could serve as a security buffer in a generalized war, they are fundamentally a burden which could become a military menace."

Elie Wiesel, winner of the Nobel Peace Prize in 1986, writes in anguisbed defense of his compatriots an appeal to young Palestinians "to accept a dialogue with young Israelis on the possibility of a common future." The writer, who has devoted his life to evoking Jewish suffering, notes that "everything depends on what you make of suffering. Transforming it into destructive hate deprives it of its dimension and ethical demand. To invoke it to justify death is to put it at the service of death." This is an address to both Jews and Arabs.

Such new words are of the kind that can bring a change of outlook and a solution. They come from awareness that trouble is real. They come from allowing nasty facts to be known. If advantage of controlling information is short and illusory. New hope comes when people are really enabled to understand what is happening.

The New York Times.

Middle East: A Lower Soviet Profile, but Leverage in the Gulf

tional arms among our people. To this end, we Soviet Union to Central America defy reason and have used the instruments of democracy in the betray our efforts for peace. Arms add to intoler-

Western Europe. I have myself spoken, with the I urge you to lay down arms in Central America.

DARIS - The Soviet Union has By Jim Hoagland

L been discovering that New Think-ing will get you only so far in the Middle East. Policy initiatives are quickly encircled and taken prisoner in that politically fragmented region of shifting alliances and causes. Launehed with fanfare last year by

Mikhail Gorbachev's adroit diplomatic team. New Thinking was the label given to Moscow's move away from the stolid master designs and stifling ideological commitments of traditional Soviet diplomacy. The new approach seemed to get off in a fast start in the Middle East. The Russians kept on good terms with both Iraq and Iran and started a new dialogue with Israel while staying close to the Arabs.

T UNIS — We asked Yasser Ara-fat whether the Palestine Liber-

ation Organization was prepared to

tf there was an agreement, did he

Not in Japan," he said, smiling.

visualize a Palestinian state living in

The PLO's policy, he said, is "land for

peace" - that is, peace if Israel with-

draws from the territories it occupies.

Palestinian state should respect each

other's borders? "International guar-

antees [are] to be implemented for both of us. We are in need of the

he accepts United Nations Resolu-

tion 242, with its call for Israeli with-

drawal from occupied territory to

'secure and recognized" boundaries?

ing his voice, he went on: "I repeat it

now again. I accept all United Na-

tions resolutions, including 242 and 338 and 605 and 607 and 608."

the 1967 war, in which Israel cap-

tured the West Bank and Gaza; its

principles were reiterated in 338. ap-

proved after the 1973 war. The other

three resolutions, adopted by the Se-

curity Council this past December and January, were critical of Israel's

Mr. Arafat sounded surprised that

anyone could be unaware of his views.

He cited various documents and past

handling of Palestinian protests.

statements, as is his custom.

Resolution 242 was adopted after

"I have declared it," he said. Rais-

Why, then, would he not say that

guarantees more than they."

Did it follow that fsrael and the

make peace with Israel.
"Yes," be said. "Definitely."

peace with Israel next door?

month, the Soviet Embassy in Tehran came under mob siege, Moscow's once close and militant ally Syria rolled out the red carpet twice to welcome the American secretary of state, George Shultz, on his peace mission to the Middle East, and Islamic countries backing the Afghan resistance movement opposed the Soviet plan for ending the war in Afghanistan.

The Soviets have found that problems come from overreaching—as the Iran-contra cowboys of the White House and the French policy makers who also sought to cultivate both Iran and Iraq discovered when their efforts hile staying close to the Arabs.

Yet in the space of a few days this

went astray. Diplomats routinely try
to ignore such counsel, but Abraham

By Anthony Lewis

in the PLO chairman's past com-ments. So in this interview Youssef

Ibrahim of The New York Times and

I sought clear declarative statements of present PLO policy. We asked Mr. Arafat to imagine that he was talking in an Israeli audience, in the people of

Israel. What would he say to them

have it. We are waiting for the other

Could he offer Israelis hope of a peaceful life for their children?

peace than their children." he said.

They have the upper military hand,"

mitely! Of course. I say from the begin-

ning, peace needs courageous men. Peace for both of us."

his most unambiguous commitments yet to a negotiated peace with Israel.

His comments represented, I believe,

But if he spoke positively of peace,

he was very critical of Secretary of

State George Shultz's present initia-

tive — because it does not include the PLO. He said the idea of Palestinians

attending an international peace con-

ference as part of a Jordanian delega-

tion was dead, A PLO delegation must

be under a guardianship?" he asked.

Mr. Shultz went to East Jerusalem

Why do only Palestinians have to

represent the Palestinians.

to meet a group of invited Palesuin-atements, as is his custom.

But experts have found ambiguities shouldn't they speak to him? "He

But both should have peace? "Defi-

"Our children are more in need of

Peace needs courageous men. We

about the possibilities of peace?

side to have it. Are they ready?"

Lincoln knew of what he spoke when he advised against trying to fool all of the people all of the time.

But more is involved. Soviet attempts to move to new ground in the Middle East. The new Soviet leader-Middle East and reach a new era of ship appears to feel that this course is detente with the United States are causing Moscow's friends to react with ability to deliver political and economistic to the state of the state

initiatives of their own.

Recent extended conversations with Presidents Hafez Assad of Syria and Chadli Bendjedid of Algeria left me with the impression that both leaders, and other longtime Soviet friends in the region, are now easer to belong their region, are now eager to balance their suddenly fluid ties with Moscow by

improving relations with Washington. Mr. Gorbachev has made clear to

people. I haven't the right to do so."

In general, Mr. Arafat seemed more relaxed and confident than be often

has in interviews. He obviously took

pride in the Palestinian protests. An-

other reason may be that the various

wings of the PLO are more unified under his leadership now than for many years. He made a point of that.

He bristled at mention of the recent

terrorist attack on a bus near Dimona.

the Israeli nuclear center, for which his Fatah took responsibility. Mr. Arafat objected to the words "bus attack"

and said it had been aimed at the

1985 promise not to make attacks out-

side Israel and the occupied territories.

It had also given "explicit instruc-

tions" to those protesting in the last

three months not to use weapons, "But

you cannot expect a resistance move-

In what circumstances would the PLO stop all military activity? Mr.

Arafat said that was a good question, and it would no doubt be high on the

state live their own national dreams in

relative peace. But in the real world it

The New York Times

agenda of a peace conference. Listening, one could imagine a fu-ture in which Israel and a Palestinian

is hard to see a way to that end.

ment to drop its arms just like that."

He said the PLO was sticking to a

"dangerous" Dimona facility.

sent for some of these regimes.

The most important achievement of Mr. Shultz's seemingly unrewarding Middle East mission may well turn out to have been his belated wooing of

Arafat: 'Peace Needs Courageous Men' hasn't the right to choose the Pales-tinian delegation," Mr. Arafat said. "It is a matter of dignity and integrity. Can I choose the American repre-sentative? O.K., I'll deal with Mr. Jesse Jackson, who is accepting self-determination for the Palestinian

President Assad. By going to Damas-cus a second time on his sbuttle, even though he had nothing new to report to the Syrians, Mr. Shultz played directly to Mr. Assad's ego, as the State Department's senior Middle East expert, Richard W. Murpby, had urged.
In this time of falling U.S. foreign aid, Syria and other Arab states friendly in Moscow will not attempt the "reversal of alliances" that Egypt's Anwar Sadat achieved in the 1970s. But until Mr. Gorhachev can provide new content, as well as new style, in his Middle East policy, the United States

the Arabs that he is not prepared to

continue supplying them with arms

and advisors on the scale of the past.

when his predecessors depended on

arms exports and confrontation with

Israel to secure a Soviet foothold in the

stands to benefit incrementally from the changes he is producing.

The Soviets face new challenges are

ated by the eruption of the missile war between Iraq and Iran. Crowds in Tehran chanted "Death to the Soviet Union" instead of that other more familiar superpower tune. Moscow has since admitted that it supplied the Scud-B rockets that Iraq enhanced and began firing on Tehran two weeks ago. But the Russians showed that they can still exploit Iran's isolation and its

MECTING

Miner In (11)

resentment of strong Western diplo-matic support for Iraq; they quickly-demanded a meeting of the United Nations Security Council to take up the missile war. It was an effective reminder that the Russians have been stalling American efforts in the Security Council for an arms embargo against Iran for seven months. The crowds have rolled back to "Death to America" in their daily exorcisms.

The Soviets have leverage in the Gulf that they do not have in the Arab-Israeli conflict. Washington is right to work around Moscow in the latter case, but it is too late for that in the Gulf. Some New Improved New Thinking by both superpowers is needed before Iran's April 8 elections are out of the way and no longer act as a brake on the ayatollah's war tactics.

The Washington Post.

1938: The Anschluss

VIENNA — Austria was formally

100, 75 AND 50 YEARS AGO

1888: Trouble in Arles ARLES - Ten thousand people as-

sembled outside the Mairie last night [March 13], shouting for the heads of the ftalians who killed two Zouaves in a drunken brawl a couple of nights ago. At midnight 400 troops cleared the Place. When the doors of the prison were opened soon after to let the prisoner van pass there were fresh yells of "A mort les assassins!" and on the prisoners being taken out one was nearly strangled.

declared a part of the German Reich yesterday [March 13], the union to be ratified by a Nazi-conducted plebi-scite of all Germans over 20 years of age in Austria on April 10. The resignation of Dr. Wilhelm Miklas as Federal president and the legalization of the Anschluss removed the last obstacles to the triumphant entrance of Chancellor Adolf Hitler into Vienna as Führer of the Greater Reich. He is expected to arrive this morning by plane from Linz. The removal of Miklas, long an enemy of the Anschluss, was a necessary step in the Nazification of Austria. Meanwhile. Chancellor Hitler's aides, Vice-Filhter Rudolf Hess and Heinrich Himm ler, head of the Gestapo, were in

1913: Wilsonian Trends WASHINGTON - President Wilson and his family continue to smash precedents, fn the East Room, the White House baby, Miss Cothran. had a tea party yesterday. High chairs with substantial wooden trays annexed supplanted the usual Louis XV furniture. The President's daughters have hanished elaborate headdresses, and the simple girlish effect is being copied by Democratic belles.

charge in Vienna. German troops were everywhere, but once again there were few reports of disorder and in Vienna, at least, the visual evidence was that National Socialism was in full control.

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Distant Growls Of Gold Bears



the first growls of a gold bear mar-ket or is the metal's bull market just taking a breather? That has become a subject of dehate in the past few weeks, as gold prices bave dropped roughly 15 percent since Its performance bas

surprised many analysts, who seemed certain back in October that the metal would benefit from the upheavals in the world's equity markets. But fears of recession, perception of reduced wealth and increased supply have worked together to dampen investors' enthusiasm for gold.

together to dampen investors entitusiasm for gold. After a brief peak at \$502 per ounce on Dec. 14, gold has been unable to stage a convincing comeback. Since the beginning of the year, the 25 mutual funds tracked by Lipper Analytical Services that specialize in gold stocks generated a negative return of 16.8 percent. "Are these factors revealing a full-fledged bear market or is the bull market going to recover? That's the key question right now." says recover? That's the key question right now," says John Norris, head of precious metals trading at

Ciribank in New York.

Taking most of the blame for gold's recent collapse are the dire predictions for a recession later this year. Fearful investors have shied away from the metal, which is typically seen as a hedge against inflation. In addition, publicity about the increasing supply and sudden surges in mining surplus has also diminished the level of investor demand for gold.

These are some of the reasons why Rhona O'Connell, precious metals analyst at Shearson Lehman Hutton in London, concludes that there is little chance for a sustained bull market for the rest of this year. Although she thinks the worst is over for gold prices, Ms. O'Connell is predicting that gold will be little changed at an average price of \$420 per ounce through most of 1988.

"In retrospect, we see that gold had risen from \$281 per ounce in February 1985 to \$502 in December 1987 because people were buying it as insurance against problems with the rising equiry market," Ms. O'Connell says. But with portfolios adjusted down 20 percent as a result of Black Monday, she says, the demand for gold is not likely to recover to previous levels without a shift in economic expectations.

EANWHILE, she says, the supply has been steadily growing 5.7 percent a year since 1981, thanks in large part to increased production in North America and Australia. "That surplus was going to have to show up some time," she

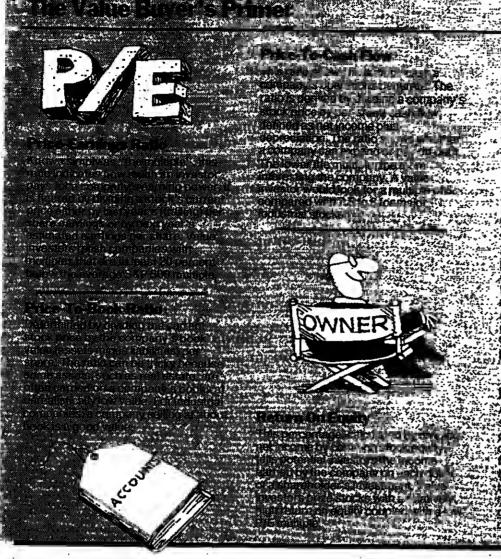
says.

Also contributing to the surplus has been the Also contributing to the surplus has been the recent decision by several mining companies to raise funds by borrowing gold from commercial banks and selling it in the open market. "A lot of unexpected gold has sold onto the market," says Ms. O'Connell. Since Black Monday, analysts estimate that gold

loans have added between 50 and 70 metric tons to the gold supply. Of the deals made public, American Barrick negotiated a loan involving roughly 8 tons. Bonds, an Australian mine, borrowed about 6 tons. In the past few weeks, First Mississippi mines recrived a loan of roughly 4 tons.

Experts say that there are more unannounced deals under way, particularly among North American and Australian mines, but they declined to provide specifics because of the sensitivity of the market. They cited the negative impact on gold prices in January, when news of Newmont Mining's loan of 31 tons leaked to the public before the company had a chance to hedge the deal.

Continued on page 10



Dividend Yield

Yield is determined by dividing the annual dividend by a stock a current price. A high yield being cushion market declines, and a healthy dividend pays for the time spent walting for an undervalued stock to reach its potential. A yield of 5,5 percent or higher would grab a value investor's attention, since the S&P 500's yield is only about 3.5

Net Current Asset Value

A rough gauge of how much a stockholder would receive if the company were liquidated. This is calculated by eutoracting total debt from current assets, those which can be turned into cash within a year. From time to time, that number divided by the planting of shares in the company is greater than the share price. Such analysis are a ravity.

Hot New Issues in Tokyo Second Tier

By William G. McBride

HEN FAMILY Mart Co. hit the Tokyo Stock Exchange's second sco-tion on Dec. 8, it quickly set a new standard for hot stocks. Priced at 3,600 yea, the convenience store chain soared as high at 12,200

yen in just a few weeks before settling back to around 9,000 yen.

But Family Mart is only one of about a half dozen spectacular successes in Tokyo's new-issue boom of the last few months. "They've just about all some through the roof." notes Dozen. all gone through the roof," notes Don-ald Hay, a portfolio manager at Edinburgh Fund Managers in Scotland, which manages funds that specialize in smaller Japanese companies.

The enthusiastic response to the newcomers highlights a new interest. among investors in Tokyo's burgeoning number of second-tier stocks: Smaller stocks in general fit into a growing emphasis on companies with little export exposure and fast-growing profits. But new issues often have added allure because they offer investors their first crack at pure plays on specialized segments of the Japanese economy, especially in the consumer and service area.

- Laura Luckyn-Malone of Scudder Stevens & Clark's in New York, which manages the Japan Fund and the Scudder New Asia Fund, cites retailers like Family Mart as just one example of "a whole new tier of interesting

companies." As the Japanese economy becomes more consumer-driven, there will be more such opportunities, she

"The retailing industry in Japan is becoming much more segmented," she says. "And most of the attractive plays are in the smaller companies."

Asatsu is a good example of the type of company that has been drawn to the second section and has excited investors. The first Japanese advertising firm to go public, its price has climbed abnost 30 percent since a Dec. 1 offering. "We're expecting a couple of more advertising firms to list this year," says Mr. Hay. "I bere's a domestic push of Japanese companies driving the advertising market.

Specialized technology companies have received a similarly warm response. Nameo, a software house that supplies Nintendo, the video games maker, surged 30 percent.

While second-tier stocks began coming under closer scrutiny last spring, it was the infusion of new issues that helped step up the momentum in the first two months of this year. Since Jan. 1, the second-section index is up a hefty 23 percent, while the first-sec-tion, bome of the blue-chip exporters and big financial stocks, has advanced about 20 percent.

In some ways, the rise in smaller stocks has been helped by technical factors. In Japan, margin buying—the purchase of shares with borrowed

money - is confined to first-section stocks. In a sharp downturn, investors would be forced to sell their stocks to pay off some of their margin loans.

Second-section stocks, with their absence of margin buying, are seen as less vulnerable to a self-off. That view seemed to have been bolstered by the better performance of smaller stocks in the October crash, During October, the second section fell 10.2 percent, while the first section sank 12.6 percent.

Other factors supporting the market are more transitory, however, And even boosters of smaller stocks doubt that the current pace can be sustained.

There is widespread acknowledge-ment that the rise in some small-company issues was orchestrated by big Japanese brokerage firms to give val-ued customers a chance to dress up

Continued on page 8

The Virtues Of Value **Investing Are** Back in Style

By Bruce Hager

New York

HORTLY AFTER the October stock market collapse, managers of the Rea-Graham Fund, a Los Angeles-based mutual fund, submitted an article entitled "Celebrating Black Monday" to several mag-azines. The crash, they argued, was a positive development for investors who wanted to find true value in the market.

'We weren't pleased that a 500-point drop occurred in one day. But being in a down-market position was better than being in an up-market condition, recalls James Rea Jr., president of the \$54 million fund, which follows rules laid down by co-founders Benjamin Graham and James Rea Sr. "It meant a return to more reasonable values, one where we could add stocks to our portfolio."

Months earlier, while others celebrated, the fund had been forced to sell half of its portfolio because "as value investors, we simply couldn't find stocks to invest in," says Mr. Rea. By the time the market collapsed, Rea-Graham had only 25 percent invested in stocks with the rest in Treasury bills. But while the Dow Jones industrial average plunged 37 percent from its August peak to October nadir, the fund fell one-tenth

Such are the benefits of value investing. Although it is a term invoked all too often in the market, the strategy represents a well-defined, basic approach used by many investors to buy shares in companies whose intrinsic worth may be

The hope is that the marketplace will recognize the stocks' value and bid their prices higher. Once stocks become fully valued, they are usually sold and replaced with stock in other undervalued companies. And if the market falls, value stocks generally do not fall quite as much because they were inexpensive to begin with.

Today, in a market plagued with fitters, value investing is back in vogue for the same fundamental reasons. Value investors measure a company's intrinsic worth based on tangibles like net assets and earnings history, instead of market themes and hot tips.

"People tend to go to fundamentals when the market crashes on them." says David Dreman, managing director of

Continued on page 9

The right approach. It takes personal attention and global resources to get where you're going.



COLLECTING =

Cashing In on Campaign Mementos

By Cynthia Catterson

New York HEN IT comes to this year's presidential candidates, Robert Fratkin is not taking any chances. An avid collector of election memorabilia, he has been busy for the past few months picking up campaign buttons from all of today's presidential hopefuls. . Right now, you can pick them up for almost nothing, so grab every one you can,"

After all, only history will tell which relics from the 1988 run for the White House will have any appreciative power, according to Mr. Fratkin, a vice president at Shearson Lehman Hutton in McLean, Virginia, and a former president of the American Political Items Collectors.

But if past presidential campaigns are any indication, some could prove a lot more valuable in the years ahead. Leftovers from previous campaigns have yielded a steady 5 percent to 10 percent annual return in the last decade, while some of the rarer items have increased in value by as much as 1,000 percent.

Campaign collectibles represent a market where mementos can go for anywhere from 50 cents to several thousand dollars. In general, an item bearing the image of a candidate is more valuable than one with just the candi-

date's name or slogan.

Likewise, a jugate — a button, ribbon, flag, or whatever depicting both the presidential and vice presidential party nominees - can be worth more than a single portrait. But the overall value of any particular piece is deter-mined by the nuances of its rarity and histori-

cal significance. Rarity is by far the most important factor affecting value. That is why political artifacts from 19th- and early 20th-century campaigns are in greater demand and tend to command. higher prices than the mass-produced buttons and bumper stickers that became common-

place after 1950. Nineteenth-century political campaign bric-a-brac such as porcelain tea sets, paper



A campaign ribbon from William Jennings Bryan's 1908 campaign. It is valued at \$400.

fans, walking sticks, ribbons, flags and intype pins are among the most sought-after items by collectors, says Brian Riba, president of Riba Auctions, a South Giastonbury, Connecticut, specialist in ephemeral items of historical significance. He notes that banners, flags and ribbons tend to be more valuable than pins.

In terms of popularity and historical impor-tance, Mr. Riba notes that Abraham Lincoln. memorabilia is the most widely collected,

both in the United States and abroad. Lincoln campaign ribbons usually fetch between \$500 and \$600 at auction, while ribbons for candidates in subsequent election years typically sell for between \$50 and \$150 apiece.

A candidate's popularity, however, is not a sure ticket to a sound investment, warns Mr. Riba Brass tokens from Lincoln's campaigns can be worth as bitle as \$20 because they were widely distributed and commonly saved by

Fewer keepsakes remain from less popular presidents, and some of them can be quite valuable, adds Kenneth Florey, a professor of medieval literature at Southern Connecticut State University and a historical items consul-

A rare ivory and paper campaign fan to remind voters of Franklin Pierce, the 14th president of the United States who served between 1853 and 1857, recently sold at auction for \$1,500, and a campaign ribbon from Martin Van Buren's run for office in 1836 recently felched \$2,500. Likewise, Mr. Florey notes that presidential

contenders do not necessarily bave to win the election for their campaign materials to become collectible. "Some candidates were expected to lose anyway, so little money was put into their campaigns," he explains. Scarce products from less well-known los-

ers like Henry Clay, Lewis Cass, General George McClellan and John Davis create a stir whenever they appear on the auction block. Some of the most precious campaign items are from James Cox and his running mate, Franklin D. Roosevelt, a team that few expected to win the 1920 election.

As a result, Shearson's Mr. Fratkin says, "You can find a number of beautiful McKinley color picture buttons from the 1896 and 1900 elections for less than \$10, but it's difficult to find Cox picture buttons, which were only made in black and white, for less than \$50."

Mr. Fratkin also points out that because there are only about 80 known Cox-Roosevelt Continued on page 11

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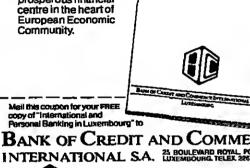
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Tokyo's Second Tier Outpaces the Blue Chips

Some new issues gave investors their first crack at promising economic sectors.

Continued from page 7 their portfolios before the end of the fiscal

BOURSES

year on March 31. Such manipulation is not uncommon in Tokyo. Indeed, the Ministry of Finance already has disclosed inquiries into the price movements of a few second-section stocks. A recent announcement mentioned Koito Industries, a maker of traffic signal equipment that joined the second section

on Nov. I. Moreover, some skeptics say the surge in second-tier stocks will evaporate as big institutional investors, especially foreign fund managers, again exert their preference for larger companies. But other analysts, while acknowledging that smaller stocks may stumble in the near term, see the return of an era in which second-tier stocks routinely outperformed larger is-

Ron Napier, a Tokyo-based analyst with Salomoo Brothers, notes that smaller stocks ontperformed larger stocks for most of the 1970s. As would be expected with faster-growing companies, second-section issues in those days commanded a higher price-earnings multiple than the ction stocks.

By the mid-1980s, Mr. Napier notes, we had a tremendous institutionalization of money" in the likes of insurance companies and special trust funds. The managers

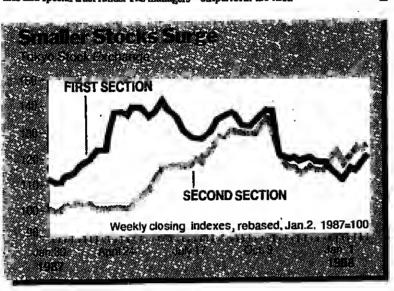
of these huge portfolios were "uninterested in small, thinly traded stocks," he says.

During 1985 and 1986, small stocks were so out of favor that they began to trade at a discount to the big blue chips. Even now, based oo profit expectations in the year ahead, Mr. Hay estimates that the average price-earnings multiple of second-section stocks is about 48, versus 57 for the

"We see that really changing," says Mr. Napier. Changes in pension-fund manage-ment laws will allow corporations to oversee their own portfolios, he notes, widen-ing the potential oumber of investors for maller stocks would make sense.

On a more fundamental level, the in pressive earnings growth anticipated for many smaller companies combined with the attractive price-earnings multiples will continue to entice investors, says Ed Merner of Schroders (Asia) Ltd., which advises the firm's London-based unit trusts. "We definitely have more of an earning-driven market," he says. "And many smaller companies fit that criteria." Investors can no longer count on major

declines in interest rates and huge inflows of cash to power the market, as it did over the last two or three years, he says. Given these oew cooditions, says Mr. Merner, "I think the second section is more likely to



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Nigel Barry of Dunedin sees the rebound in smaller stocks as a sustained trend.

The New Interest in Small Stocks

By Marybeth Nibley

AST SPRING and summer, Nigel Barry felt distinctly unpopu-lar. "Nobody mental in honory lar. "Nobody wanted to know me," recalls the 28-year-old investment manager at Dunedin Fund Man-agers Ltd., where he oversees the Japan Smaller Companies Trust and the Far East

Trust.

He remembers meetings in London at which people paid little attention to what he had to say about Japan. At the time, they were far more interested in Asia's booming smaller markets. Less intriguing were the shares of Japanese smaller companies, which were lagging behind the blue

But lately, Mr. Barry's view are getting a more cordial reception.

After languishing oear the bottom of the mutual funds standings, the Dunedin Japan Smaller Companies Trust has moved up strongly in recent months, with its offering price climbing 24 percent since the first of the year.

It ranked fifth in Opal Statistics Ltd.'s February performance table of U.K. mutual funds. The Japan Smaller Companies Trust is up 121.5 percent since it was annched in September 1985. That leaves the Dunedin trust, with as-

sets valued at a modest £13 million, a few percentage points larger than its level be-fore last October's crash. And it reflects the resilience of the Japanese market in general, and the enthusiasm for Tokyo's. smaller, second-section stocks in particu-

The trading boom has driven the sec- caters to the Japanese students and young

ond-section index above the record set before last autumn's plunge, but some analysts are saying the ardor is about to cool, Soon, say skeptics, first-section heavyweights soon will outrun second-section stocks as foreign money returns to

Mr. Barry is more sanguine. He believes a "little setback" may occur in the short term, but second-section stocks still hold promise. "On an historic basis, we don't believe the second section is overpriced,"

Based in Edinburgh, Mr. Barry travels to Japan about every nine months to spend time with the management at severcompanies. He sees advantages in working far from Tokyo's often speculative atmosphere. 'Working here, you're not trapped in a market, and you can take a

good global view," he says,
Indeed, Scottish money managers have
built up something of a reputation for
focusing on smaller, lesser-known lapanese companies. Edinburgh Fund Managers Ltd. and Baillie Gifford Ltd., also in Edinburgh, both manage investment trusts and mutual funds specializing in Japanese small stocks. All told, there are over 20 U.K.-registered funds and offshore funds that target these investments.

Like many managers of these smaller-company funds, Mr. Barry puts a heavy emphasis on shares that will likely benefit from rising incomes in Japan, and the growing consumer appetite for upscale clothing and home furnishings. Currently, about 23 percent of the trust is invested in the consumer and retail sectors.

Suzutan fits into this view. The retailer

Another example is Seibu, a restaurant chain marketing Japanese and Western-style foods, which may benefit from loosening controls on imported foods, Mr.

The trust also has a stake in Eidensha, a retailer of consumer electronics goods that is based in Nagoya, Toyota's headquarters. That region is regarded as heading toward economic recovery, which, in turn,

coold help consumer spending.
The crash last October prompted Mr.
Barry to raise cash to meet redemptions. Among the shares he sold were Chiyoda Shoe Shop, which has seen sharp increases in profit as it branches into toys and clothing. Lately, though, he has been buying back the stock on the belief that the company still has impressive growth ahead. Another holding he trimmed back was Tochigi Fuji Sangyo, a manufacturer of four-wheel-drive vehicles. These vehicles canoni the Japanese consumers' fancy, but some analysts suspect the fad will not survive much longer.

"I'm wondering oow what's going to be the next gadget," Mr. Barry says. No mon-ey spinner, like the video tape player, is heading for the market, he says, but he is exploring the potential in high-definition

Leisure activities are another theme in Mr. Barry's strategy. As Japanese are encouraged to increase their leisure time, the tourism business will grow, he figures. The trust seeks to cash in on the trend through Tokyu Tourist, a division of the Tokyu Group. It is ooe of the few quoted firms in

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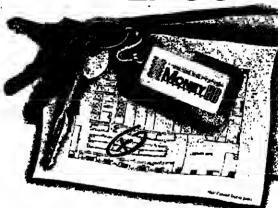


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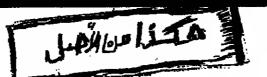


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The Virtues of Value Investing

Continued from page 7

Dreman Value Management, a New York money management firm. "You want strong companies and you don't want to pay much for them."

Take Cipher Data Products a maker of data storage devices used to back up memory in microcomputers. After the October crash, the stock was selling on the over-the-counter of chirent assets minus current liabilities and eterm debt. That meant an investor could by the company for its working capital, with fixed assets thrown in for free.

A conservative strategy, value investing is strated with patience and discipline because stocks might take two to five years to become rket value investors were often left in the thist behind those chasing speculative compa-

A value investor picking only stocks with the lowest price/earnings multiple from the Standard & Poor's 500 index would have had a total return of 100 percent compared with 112 percent for the S&P 500 itself. A value investor following the same strategy for the last 10 years, however, would have seen his stocks return 450 percent, compared with 303 percent for the S&P.

"If you're going to apply value principles, it's a discipline you really have to stick with," says Mark Keller, a value analyst with A.G. Edwards in St. Louis. "Value investors rarely show up at the top of the pack in the short-

The concept of value investing dates used to when two Columbia University business professors, Benjamin Graham and David L. Dodd, set out to develop a method of analyzments in the after-Dodd, set out to develop a method of analyzing a company's intrinsic value in the aftermath of the 1929 crash. The result, a treatise called "Security Analysis" (McGraw-Hill, \$49.95) published in 1934, became the value \$49.95) published a standard gradual standard st

ever, value evangelists have spread the word through different denominations. Some prefer companies with strong income statements, with good cash flow and a history of earnings growth and dividend increases. Others put more emphasis on a healthy balance sheet, with little or no debt and enough assets to make a company attractive as a buyout or takeover candidate.

The latter approach, preferred by traditional takeover specialists, has radically changed the landscape of corporate America over the past decade. "A lot of these takeovers are shareholders recognizing the value of these assets and getting a higher return on them or trying to get them out," says Larry Harris, manager of the Worldwide Value Fund.

To screen stocks, value investors use a number of tools developed by Graham and Dodd. Chief among them is the price/earnings multi-The ligher the multiple, the more people are paying for a company's earnings power.

The ligher the multiple, the more people are paying for a company's earnings growth prospects. If a company has a low multiple, then investors either believe the company will do poorly or have overlooked the stock.

High multiples are usually associated with

young, fast-growing companies and carry a higher degree of risk because high expecta-

tions are easily unfulfilled. That risk can extend to entire markets. When the S&P 500 multiple reached 19 in August, for instance, most investors ignored price/earnings ratios and bought on sheer speculation.

People were saying, so what, P/E ratios are getting towards 20, we have all this money sloshing around in the system, don't worry, says Arnold Kaufman, editor of The Outlook, a newsletter published by Standard & Poor's, "Today," adds Mr. Kaufman, "people are looking at P/E ratios again."

But the multiples are not enough. Valuation measures have to be looked at with a general macroeconomic view, including interest rates and inflation. Most value investors look for stocks that fit several value criteria at the same

William Lengers, president of the Gradison Established Growth Fund in Cincinnati, looks for a combination of low price-to-book ratios, rising earnings and a healthy return on equity. Two companies that fit include F.W. Woolworth's and Ford Motor Co.

Ford has a 1.5 price-to-book ratio compared with an S&P 500 average of 2 and a 22 percent return on equity compared with an average of about 12 percent. As for F.W. Woolworth, the company has a 14.5 percent return on equity and a 1.7 price-to-book. Although Woolworth's 2.8 percent yield is below 15.2 for a 15.5 percent. below the 3.5 yield market average, Ford's is an agreeable 4.4 percent.

"The way we seek out value is to constantly search for assets that can be bought the cheapest," says Mr. Leugers, whose fund has an average price-to-book value of 1.2. "If we have 100 companies that pass our buy screens, then we pick those that are selling at the lowest price-to-book."

Mr. Rea uses a computer model based on 10 criteria to screen about 4,000 domestic stocks and between 1,800 and 2,000 non-U.S. issues. Financial soundness is a primary consideration. The fund looks for companies whose total debt never exceeds twice the value of their assets if they suddenly went out of busi-

Moreover, the fund prefers companies that have doubled their earnings in 10 years and have at least a 7 percent annual compounded

growth in net income.

Aema, General Motors and Detroit Edison currently meet Mr. Rea's criteria. He also finds value in Far West Financial, a savings and loan, which last week was selling for about \$11 a share. The fund will contin acquire shares until the price reaches \$12.75 and then sell at \$19.25 a share, Mr. Rea says.

Investors who prefer to do their own calculations can determine value characteristics from the financial statements of annual re-ports. And for those who have personal computers, software programs that screen stocks according to value criteria are available from Standard & Poor's as well as Value Line Investment Services in New York.



James Rea Jr. found a bright side to the crash.

Still, a value investor would be the first to admit that stocks rarely meet all criteria. "I once ran a screen of 700 stocks and was so

stringent that there were only about 10 stocks that made it," says Mr. Dreman of Dreman Value Management. "You can't be 100

Pitfalls for Global Value Players

HE TECHNIQUES of value investing came of age in the United States, where securities law mandates uniform disclosure by public corporations. But different laws, accounting procedures and market behavior often confound value investors who try to apply the principles across

Many value investors are staying clear of Japan, for instance, because the market has been selling as high as 60 times earnings, an unheard-of valuation level by U.S. standards. But some investors say accounting differences make the price/earnings multiple a less useful concept in Japan. They note that local players put more emphasis on such factors as a company's market share and angibles like prestige and corporate connections.

Sometimes, financial information can be too sketchy to carry out detailed value analysis. A case in point is Spain, where value seekers have been focusing more attention recently. Consolidated financial statements are not required, and the parent company financial statements are usually the only ones made available to potential investors. Income taxes are generally not reflected as an expense in the income statement.

Apart from accounting anomalies, value investing does oot always have the same payoff in markets where companies feel little pressure from shareholders or where there is little threat of akeover. In such cases, an undervalued stock could stay undervalued

Some analysts believe changes are afoot in Europe that could make value plays more attractive. Governments are loosening control on state-subsidized companies and investors are challenging the status quo of formerly inviolable institutions like Societe Genérale de Belgique, they note,

"Under the ancien regime, the breaking up was hard to do because the entrenched management could depend upon the protection of the establishment," says Larry Harris, London-based adviser to the Worldwide Value Fund, which invests in markets

A Worldly Approach

Worldwide Value Funds's top live holdings:

Definite IA Line Belgium's biggest (codretailer, it that I Le U.S. food retailer in North and I Le U.S. food retailer in Selfing or half it.

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Creat Chiversal Stores. The British company owns that berry senioring other lines. The value of its various businesses Arc Racis callinates; is worth more than us recent SII store price.

Acertion, a Spanish starriess steel manufacturer, the company is selling at about 5 times earnings, someoned with the average for the Spanish market of 15 at 15 a

Merchant Banks: Still on Ropes

By Marybeth Nibley

HE BEST measure of sentiment when it comes to Britain's merchant banks nowadays is probably the widespread sympathy the sec-tor evokes among analysts. "I feel sorry for them," says John Tyce of Alexanders Laing & Cruickshank Ltd. "I do feel quite pessimistic

because all their areas of activity are stock

market driven, and there is little evidence of a

Rod Barrett, an analyst at Hoare Govett Ltd., says merchant bank stocks are behaving as expected given the behavior of the stock market itself. Apart from the market collapse. the transformation of the industry spawned by the deregulation of London's markets.

known as the Big Bang, still is taking place. "You've got a process of change that just goes on and on and on," says Mr. Barrett. The revolution didn't start one day and fin-

Consequently, merchant banks, which had spent most of 1986 and 1987 gearing up their securities operations for an expected boom in business — and commissions — are suffering. Staffing levels remain too high and the teams of specialists that were hired to handle the proliferación of new financial products are turning out to be a drag on profitability.

Robert Grant, an analyst with Capel-Cure
Myers, says demand for innovative products

still exists but the trend seems to be back

toward traditional investment vehicles.
"The old-fashioned merchant banking activities, corporate finance and commercial banking, are holding up quite well," observes Hugh Pye of County NatWest Securities. "The corporate economy is quite buoyant."

Not all the investment and securities groups are in pitiable positions. Analysts regard S.G. Warburg Group PLC as the soundest and its merchant banking unit as the industry flag-

I believe that they have managed to build up the best-integrated operation, says Mr. Pye, noting that Warburg's risk-averse and cautious style appeals to clients during volatile times. Adds David Poutney, an analyst with Barclays de Zoete Wedd, "Warburg is the only merchant bank that appears to have its see somether." its act together."

Pre-tax profits came to £98 million in the fiscal year ended March 31, 1987, compared with £91.8 million in 1986. Mr. Pye predicts 1988 earnings at £128 millioo and 1989's at

Analysts said the expansion strategy War-burg pursued of buying existing securities operations and melding them into the group with a minimum amount of disruption has paid off. Other groups who attempted to develop their own units in what appeared at the time to be a more economical strategy have fared far worse.

Still, analysts believe shares in Warburg are attractive only as a long-term investment.

The stock is trading close to book. If we're in

Slack Sector Prices in pence

•	52-Week High-Low	Prace March 7
Kleinwort Benson	610-277	379
Warburg	575-265	344
Morgan Grentell	593-208	268
Schroders 1	700-70	950
Hambros	386-222	258

for a protracted period of low turnover, Warburg can only walk on water once in awhile," according to Mr. Tyce of Alexanders, Laing and Cruickshank.

In many ways, Warburg has taken over the center stage from Morgan Grenfell Group PLC. Morgan Grenfell shares were bid up amid takeover talk that developed in the aftermath of the Guinness PLC affair. Analysts tend to dismiss the talk now and recommend

that investors sell their shares. The speculative element that has kept Morgan Grenfell stock aloft is unwarranted, analysts say. First of all, senior management does not want to be bought out, analysts contend. Moreover, they note that the Bank of England usually discourages unfriendly takeovers in

the merchant banking field. By contrast, analysts are more optimistic when it comes to Kleinwort Benson Group PLC. Mr. Poutney of Barclays de Zoete Wedd says that a year ago Kleinwon Benson was seen as a core holding, but now after a tough time it looks more like a speculative play with

attractive assets. Kleinwort Benson shares lagged behind the market over the past year and have been trading at a discount to net asset value, the only stock in the sector to do so. The shares have been at a discount largely because much of last September's £144 million rights issue was left in the hands of underwriters due to the crash. This, according to analysts, could open the door to takeover activity.

Alexanders Laing & Cruickshank's Mr. Tyce sees "a big bounce coming" eventually in Kleinwort Benson's earnings. Pre-tax profits could jump as high as £110 million in 1988, up from an estimated £68 million in 1987 and about £79 million in 1986.

Another stock that some analysis favor is the much smaller Singer & Friedlander Group PLC. Created in 1987, the group is made up of a merchant bank and a property division and has no direct exposure to the securities industry. It is not considered a merchant bank, but merchant banking ptofits dominate, Hambros PLC also is considered separately

by analysts, It has gone in a different direction, focusing on retail financial services through its real estate agency. Hambro Countrywide.

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WARBURG INVESTMENT MANAGEMENT JERSEY

Why a Dip In the Pools Takes Nerve

By Elena Bowes

New York ILLIAM DUNN has some simple advice for potential clients.

Make sure you are comfortable with the style of trading, says the president of Dunn Commodities Inc. "Ask yourself, 'Can I really, financially and emotionally, take the swings we've seen in the past, because I'm surely going to be tested in the future."

Such counsel is useful, Mr. Dunn says. when investing in private commodity pools. Similar to public commodity funds, pools invest in a wide variety of futures contracts. But unlike public funds, which are consid-

ered securities and are regulated by the Securities and Exchange Commission, pools are considered private placements and fall under the jurisdiction of the Commodity Futures Trading Commission.

Moreover, individual pools are limited to 35 investors, who must meet certain income and net worth requirements. Indeed, membership in a pool does not come cheap. Minimum investment requirements range from \$25,000 to \$50,000. By contrast, commodity funds require between \$5,000 and \$10,000.

Pools also differ when it comes to trading style. They are known for an aggressive approach because their investors generally can withstand more risk. Also, the pools are much smaller than the funds. The average size of a pool ranges from \$1 million to \$2 million.

while the funds average about \$10 million, with some handling as much as \$100 million.

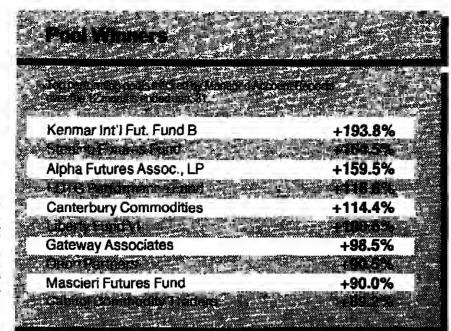
Management fees are roughly the same, about 6 percent a year. And the incentive fee. about 15 percent of a pool's yearly apprecia-

tion, is standard in the industry.
Still, in some ways, pools cost less. According to Leon Rose, publisher of Managed Account Reports, the principal cost difference lies in the commissions. A private pool operator might charge between \$30 and \$40 and sometimes as little as \$15 for a round-turn trade. In contrast, a public fund will charge between \$45 and \$55, reflecting higher administrative costs and trailing commissions paid to the brokers who market the funds.

As a group, private commodity pouls performed well in 1987, averaging a 36 percent return for the year. This compares with a 10 percent gain in 1986. Of the 101 pools tracked by Managed Account Reports, an industry newsletter, 75 percent reported returns ranging from 1.5 percent to 184 percent.

The average of 36 percent lags behind the 40.2 percent return generated by public funds last year. But pool operators say performance is better evaluated over a five-year period. Indeed, between 1983 and 1987, pools generated an average return of 87.6 percent compared with 46.6 percent for funds, according to Managed Account Reports.

But Morton Baratz, editor of the newsletter, cautions that there were wide discrepancies among various pools, underscoring the need



to select a pool with a shrewd adviser. By contrast, he says the funds generally performed in a similar fashion.

As in the case of public funds, private pools have been drawing the attention of investors seeking diversification in the wake of last year's upheaval in the stock market.

"The merit of the product is not that it is a better investment, so much as it is a totally different kind of investment," says Dinesh Desai, president of Desai & Co. in Mountain View, California. "It makes sense for an investor with a reasonable net worth to invest in a product which is counter-cyclical or does not necessarily move in tandem with other invest-

William Levin, president of New Jersey-based Orion Inc., believes the current uncer-tainties could help the pools. "The word sta-



William A. Dunn on the phone and Pierre Tullier, an aide.

bility is anathema to us," he says. "The same conditions of predictability, certainty and confidence which make stocks and bonds prosper, make it difficult for commodities, which thrive on price movement, to do well."

Like their public counterparts, the pools trade a wide variety of agricultural and financial futures ranging from soybean and wheat futures to Australian stock indices.

The vast majority of pool operators de-scribe themselves as trend-following techni-cians who try to predict commodity prices by analyzing past and current price movements, rather than studying fundamentals such as supply and demand. "I'm a trend follower based on my total ignorance of the future," says Mr. Dunn. who manages about \$40 miltion in commodity pools.

Currently, many advisers continue to concentrate on financial futures. For example, John Henry, president of the California-based company that bears his name, is long on the Australian dollar and short on such European currencies as the Swiss franc and the pound.

Experts say an investment in commodity pools should not account for more than 20 to 30 percent of an individual's portfolio.

In selecting a pool, Bertram Schuster, an investment adviser with Dean Witter in Chicago, suggests that investors look for advisers who can present audited data concerning their pool's performance and compare the performance of similar-sized pools. Moreover, he says investors should make sure that the track record is real and not hypothetical."

Another consideration is the number of advisers who trade for the pool, Although most pools have only one adviser, some have several advisers who divide up the pool's capi-tal and pursue different technical trading strategies. Experts say such an approach can provide the investor with more diversity and, thus, less risk.

Finally, an investor should be patient, While an investor may expect a minimum average annual return of 20 percent over three years, advisers try to dissuade clients from moving in and out of pools. Before accepting an investor to one of his pools, Mr. Dunn questions him as to whether he can live with the so-called "wiggle," the ups and downs that pools generally experience from month to

Safety Nets in a Nervous Market W''volatile" appears in print there are the same of the s

New York Stock Exchange:

American Stock Exchange:

Roper Corp.

Mohasco Corp

Certain-Teed Corp. Moore McConmack

J.P. Stevens & Co.

United Inns Inc.

Harley-Davidson

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10.25 18.00

12.88 38.00

164

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1,350 2,390

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"volatile" appears in print these days, it is a good bet that the next word will be "stock market." The rending days of last October seemed to fuse the two concepts in the minds of investors.

To cope, investors have been turning to two tried-and-true trading techniques: stop orders and limit orders. Simply put, these are detailed instructions to a broker specifying at what prices shares should be bought and sold. Stop and limit orders let inves-

tors "call the shots" on when they want to trade, says Tom Taggarty a spokesman at Charles Schwab & Co. He estimates that his firm's clients utilize them "five to ten percent of the time."

While these techniques can be valuable safety nets in a nervous market, they have their own special pitfalls, warn professionals.

A stop order instructs a broker to execute a purchase or sale as soon as a stock reaches a trigger price designated by the investor These are most often used to protect profits or minimize losses if a stock drops.

An investor who bought a stock at \$10 and saw it rise to \$20 might put in a "stop loss" order at \$17. If the stock falls to that price, the stop order becomes what is known as a "market order." This means the sale would be executed as soon possible at the best price the broker can obtain.

An important point: The stop order is no guarantee that the trade will be done at the trigger price. Last October, few stop loss orders were executed at, or even near, the trigger price.

In a best-case scenario, "an investor is protecting himself," says Mary Calhoun, a former broker and author of "The Guide to Investor Protection." "But in a freefalling market such as on October 19, a stop-loss order could be a

There is also a risk of being "whipsawed" in a temporary mar-ket downturn, especially if the stop order's trigger price is set too close to the current price. For example, the stock trading at \$20 might drop to the trigger price of \$17 — at which point the holdings would be sold - and then rebound to \$21. In such cases, the stop order cost the investor addi-

With limit orders, the goal is to pay no more than a set puce when buying a security or to receive uo less than a previously established minimum when selling. An investor who wanted to pay no more than \$34 for an issue trading above that price; for example would enter a limit order with a broker. Should the stock fall to 534 or below, the broker would buy automatically.
I recommend very strongly to

Stocks ***

40%

investor who is concerned about timing, a limit order is the best way to execute an order, the best to avoid error."

"In the immediate days of the market crash," she adds, "People couldn't get through to their brokers, brokers lost or mis-executed orders or didn't execute them at

Once a limit or stop order has been processed, it "lives on the floor," so to speak, and takes precedence over subsequent orders. investors that they use limit or-ders," says Ms. Calhoun. For "an

either in dividends or interest. Gains or losses were measured by comparing market in their levels a year earlier. The chart does not take into account taxes or inflation.

Total raturn measures both the changes in the prices of securities and the income they provide

portfolios daily or for those who may be traveling.

"Wise investors use limit orders all the time," adds Ms. Calhoun. And they are "essential when dealing in options or when selling large imes," she says.

Stop and limit can be entered for a day, a week, a month, or "good until canceled." But the length of time that brokerage will let an order stand can vary from firm to firm. Some brokerages are reluctant to execute stop and limit This is especially significant for orders on fewer than 100 shares.

Ms. Calhoun notes. During a month when she was traveling, she laced a one-week limit order on 300 shares of an issue, instructing her broker to sell when the price reached \$11.875.

Change Feb. 29

-14

-13

-12 -12

-12 -12

-11

-10

-10.

-17 -16

-15

-11 -10

16.00

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While she was traveling, another company made a \$15-a-shar offer for the firm, a bid that she did not learn of until much later. Fortunately, the limit order had expired before the bid was announced. Had the order been left for a month, the stock would have likely been sold at far below the

Joan Westreich

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When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$37,000,000.00 in prize money awarded. The prize breakdown shown here indicates the actual vinnings for that draw.

PRIZE DREARDOWN				
PRIZES	NO. OF PRIZES	PRIZE VALUE		
1ST PRIZE OUT OF 8 REG. NUMBERS	1	\$13,890,588,80		
2ND PRIZE SOUT OF 8 PLUS BONUS	10	\$443,481,80		
SOUTOFS	716	\$3,704,70		
4TH PRIZE 40UTOF6	48,917	\$139.30		
5TH PRIZE 30UTOF 8	965,712 \$10.0			
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January in dollar terms

Continued from page 7 There are rumors, however, that

Total return for 12 months ended.

Newmont Mining's parent, Consolidated Gold Fields of Britain, is planning to raise 9 tons to cover the debt it incurred while fighting a hostile takeover bid by T. Boone Pickens, Also, Echo Bay Mines has announced that it will raise \$100 million in financing by April. The logical means for doing 50 would be a gold loan, analysts say, which would add another 6 to 7 tons to the market.

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at the Diamond Club Bldg. Gold Modal

patterns, believes that the bull market should continue as long as the price holds at \$342 at the close of any given month. A steady close above \$450, he says, would signal the low for the year had been reached. 0 Capital investment

But some analysts worry that

investor awareness - and nega-

tive reaction - to news of these

loans has distorted the actual im-pact loans have on the supply. "In

general, gold loans do not change the long-term supply or demand balance because what companies

borrow today is accounted for in

future production," explains Lu-cille Palermo, a gold stock analyst at Drexel Burnham Lambert. Ms.

Palermo is looking for gold to charge ahead of \$500 per ounce

Martin Armstrong, a technical

analyst and chairman of Princeton

Economics International, has a shorter time horizon. His says the question about gold's future

should be answered when it hits its

low within the next two weeks. Mr. Armstrong, who bases his

projections on price and trading

within the next six months.

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arket Junk Bonds' Juicy Yields Attract High Rollers

Advocates say fear has created some bargains.

By David C. Lanchner

New York RADITIONALISTS would call Warren Green a risk taker. Although the president of American Investors Income Fund, a iunk bond portfolio, disputes the accuracy of the moniker, he does not care if people believe it. If low-rated bonds weren't considered dangerous, they wouldn't be worth investing in," he says.

Mr. Green and other junk specialists have said for fyears that the premium on junk bonds — 3 to 5.5 nercentage points higher than the yield on Treasury and corporate instruments rated BBB or better more than compensates for the actual level of risk.

Even the persistent fears that Drexel Burnham Lambert, the biggest market maker in high-yield bonds, could be implicated in the insider trading scandals and collapse the secondary market have not deterred them from their commitment to junk. And despite fears that a recession could lead to wideread junk bond defaults, Mr. Green remains confi-

Indeed, the market has recovered from last year's setbacks, when rising interest rates depressed prices of all fixed-income instruments. Immediately followling last October's stock market collapse, the yield rigoread between Treasurys and junk, which had been poread between Treasurys and June, winds man occur harrowing, widened a full 2 percentage points to 5.5 spoints on fears of a recession.

While yields have come down somewhat, the preminm over government issues remains high at about 5 percentage points. "Irrational fear has produced hargains," Mr. Green says.

The chief reason for the attractive spread is that the vast bulk of junk bonds have yet to be tested by a . sharp downturn in the economy, a chronic concern on Wall Street nowadays, and issuers must compen-sate for investor skittishness.

The average default loss since 1971 has been 1.2 percent a year. This is why experts suggest that individuals invest in a diversified junk bond portfolio grather than buy issues directly.



Edward Altman, a finance professor at New York University, fully expects that number to rise signifi-cantly if bonds issued in the overheated investment atmosphere of the bull market hit a recession.

He maintains, however, that junk would continue to outperform more staid Treasury and better-rated corporate bonds. "For profits to erode to the invest-ment-grade level you'd have to see an unprecedented 10 percent annual loss from defaults. For that to happen we would have to be in deep depression," he

Fidelity High Yield

6.0%

could disappear. "They're the cement that binds everything together," says one money manager.

Conceivably, if Drexel were no longer able to line up issuers with big institutional buyers, investors might panic and pull funds out of the market. As prices plummeted, other investment banks might reduce their exposure, further evaporating the liquid-

ity of many junk issues.

Richard Cryan, assistant portfolio manager of the Fidelity High Yield Bond Fund, believes such a possibility is remote. "A year and a half ago, when the next three largest issuers had only half of Drexel's market share, the collapse of the market was a real concern, but no more," he says. In 1987, the combined share of these firms — Morgan Stanley, First Boston, Merrill Lynch — jumped to 43 percent, surpassing Drexel's hold on the market by 5 percent.

Better yet, says Mr. Cryan, the firms now have a vested interest in maintaining market share and guar-anteeing liquidity, since the junk market is valuable as a source of financing for lucrative mergers and equisitions.

Convinced that the market has a newly won stabil-

ity, Mr. Cryan is looking at second- and third-tier junk with renewed interest. While post-crash jitters sent yields on all junk upward, many of the larger, better-known issues, such as Burlington, Borg Warner and Safeway Stores, have seen a recent buying rally that has significantly reduced their yields.

Another explanation for the unusually high yields is concern over liquidity. If Drexel Burnham or its Walther 16½s and Eastern 17½s, maturing in 1997.

10.6%

11.8%

12.8%

main junk bond impressario, Michael Milken, are dragged down by the insider trading scandal, some analysts fear the market for many high-yield bonds but because the issue is 100 small to be worth the could disappear. There is the desired that binds attention of most large institutional buyers. Dayton Walther, he says, has a strong cash flow that covers interest by a margin of 2 to 1.

Mr. Cryan's Eastern bonds are secured by Boeing 727s, which must be turned over to investors within 60 days of a default. Eastern, currently engaged in a fierce competitive battle with other airlines, faces a possible strike later this year.

"Even if Eastern were to go under, you'd get those planes, which would bring 85 to 90 cents on the dollar. Combined with the yield you would receive up to bankruptcy, that's a winning proposition," he

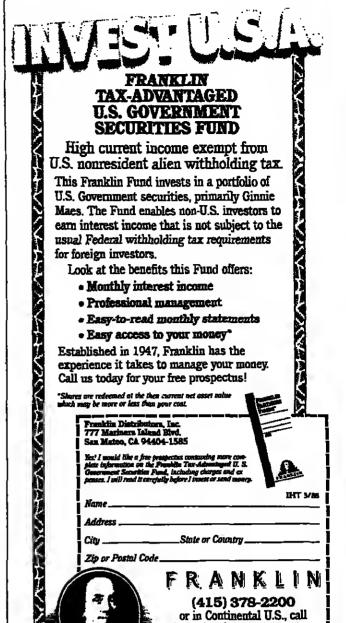
Not all professionals are so confident about the junk bond market. "What passes for a good high yield credit today would have been at the bottom of the heap four years ago," says Michael Metz, a money manager and portfolio strategist at Oppenhei-mer & Co. "As rising equity covered up weaknesses and as commissions became more and more lucrative, you got an ever-increasing number of demented

OME MONEY managers who share Mr. Metz's view, point to junk offerings from some of the nation's most established companies as examples of the market's excesses. Burlington Industries, once the nation's leading textile manufacturer, financed a leveraged buyout last September with junk bonds. Yet yields on these bonds, issued at 16 percent, are so high that company debt cannot be paid solely out of operating revenue. While few doubt Burlington will successfully cover payments with spinoffs and asset sales, the precari-ous nature of such "blue-chip junk deals" have pro-fessionals like Mr. Metz worried.

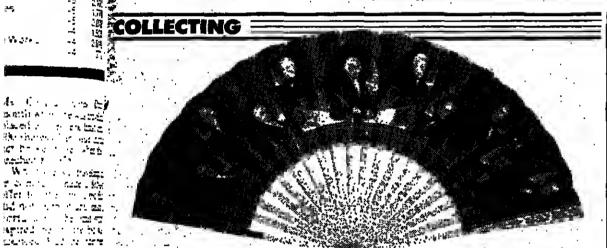
"Unbelievably enough, a lot of these bonds say in black and white that they cannot pay interest from operating expenses. With depressed equity prices, who knows how many of these deals might fall through," Mr. Metz says.

The market strategist is also cynical about claims that investment houses have a vested interest in maintaining liquidity. He believes the primary reason investment banking houses have been culting into Drexel's market share are the "obscenely high commissions that can be made."

The pressure to increase their junk business has only meant even more questionable offerings, says Mr. Metz, that could ultimately sharpen the severity



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A fan from James Polk's campaign of 1845. It recently sold for \$1,200.

Cashing In on Campaign Items

Continued from page 7

Josef Ned

jugate buttons, these pieces commonly command between \$3,000 and \$6,000 at auction. By contrast, the jugates of their opponents,
Warren Harding and Calvin Coolidge, are more plentiful and rarely sell for more than \$500.

In fact, a Chicago lawyer and ardent Roosevell collector outbid Malcom Forbes Ir. at a 1981 auc-tion and paid \$33,000 for the covted campaign button. It was the lighest price ever paid for a political item, but some experts estiwas about half the auction price.

Modern campaign collectibles are noticeably different. The advent of the 30-second televised spot has largely supplanted the panoply of items that candidates used to get their message across. Moreover, many collectors shy

away from pieces used in recent campaigns because it is difficult to determine how many were manufactured and remain in circula-

You never know when boxes of these things will turn up in the basement of some local headquarters," says Mr. Fratkin.

For these reasons, veteran collectors caution newcomers against spending a large amount of money on any-modern campaign item. Some uncommon buttons from

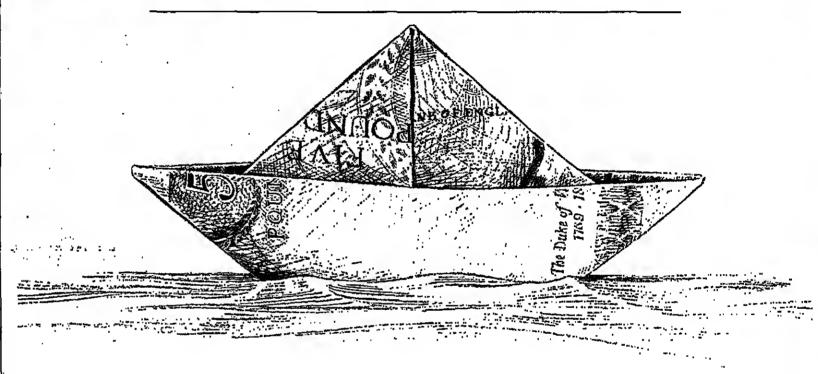
post-World War II candidates such as Harry S Truman, John F. Kennedy, and Richard M. Nixon are in demand among collectors, Mr. Fratkin says, and can trade for more than \$100 each. Likewise, unusual party tickets, such as the ill-fated attempt by Edmund Muskie and Thomas Eagleton, or unprecedented campaigns, like Walter Mondale's and Geraldine Ferraro's, have a good chance to

increase in value through the

At best, specialists suggest that contemporary campaign articles distributed by local party offices or sold for special events or conventions have a better chance to appreciate than those that are is distributed by the national

Mr. Riba advises collectors to avoid the machine-age dilcuma altogether by sticking with pre-20th-century goods. "New collec-tors should buy the best-quality items that they can find," he says "And it's the early material that is rare and most valuable."

Impatient collectors, however may not have to wait too long to increase, trade or sell their holdings. An election year seems to bring more enthusiasts into the mainstream than in nonelection



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64517 6451 **Treasury Bonds** March II Wik-ego eld yield 19 7.19 40 7.41 14 7.60 9 7.78 3 2.03 8.27 8.56 8.48 NYSE Sales **AMEX Sales** U.S. Consumer Rates Venuerd Group BadMike Pad Convert BadMike Expiri 10.78 More 10.78 Noss T Virys 1.58 Tr. Int 10.79 Virys 1.58 Tr. Int 10.79 Virys 1.58 Tr. Int 10.79 Tr. Int March 11 Money Morket Funds Desegnise's 7-Day Average **AMEX Diarles** NYSE Diarles 6.23 % 5.73 % Fixed Income and Equities Trading for dealing prices call: Advisers 8.63 9.51 n 7.36 ir 7.29 r 18.94 14.08 Düsseldorf Westdeutsche Landesbank, Head Office, P.O. 8_{D5} 1128, 4000 Oüsseldorf 1 international Bond Trading and Sales: Talephona (211) 8263122/8263741 Talex 8581882Westdautscha Landesbank, 41. Moorgate, London EC2R 6AE/UK Talephona (1) 638 6141, Talax 887 984 20.68 20.03 9,99 92.94 4.23 NestLB International S.A., 32 - 34, boulevard Grande Duchesse Charlotte uxembourg, Telephone (352) 44741-43, Telex 1676 Westdautscha Landesbank, BA Tower, 38th Floor, 12 Harcourt Road Hong Kong, Telephone (5) 8 42 0288, Telex 75142 HX

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EUROBONDS

Rocketing Pound Ignites Currency Pyrotechnics

By CARL GEWIRTZ International Herald Tribune

ARIS — Small fireworks on the foreign exchange market last week added some zest to an otherwise becalmed Eurobond market. The excitement began when the pound, which is not part of the European Monetary System's fixed exchange rate mechanism, burst through the long-sustained calling of 3 Deutsche marks to hit a high of 3.08 DM. This triggered a reaction within the EMS that looked like the start

of a crisis for the French franc.

Foreign exchange dealers said the reaction probably started when speculators who had been betting on a surge in the British carrency started selling to lock in profits.

"Much of the funds coming into the pound over the past year have been directly or indirect.

have been directly or indirectly from the Deutsche mark," says Brendan Brown, an econ-

omist at County NatWest investment bank. Thus, a counterpart to reduced international demand for the pound, at its higher levels, and widespread profit-taking will be increased demand for the

Yen Straigh

A Review

s Trading

The speed with which the mark climbed against the franc unsettled the market.

Greater demand for the mark, which is the key EMS currency, automatically puts the French franc under pressure against its German counterpart. This slide occurred late in the week and within a blink the mark, which had been trading comfortably within the fixed range at 3.38 francs, shot up at Friday morning's fixing to 3.409 - uncomfortably close to the EMS ceiling of

3.4305. By Friday's close, the rate was straddling 3.40.

But the speed with which the mark climbed against the france and the Bank of France's unwillingness to step in to slow it unsettled the market. Immediately talk started about the inevitability of a frane devaluation - certainly once the French presidential election is completed May 8, if not before.

This view is largely based on the substantial deterioration in France's trade balance last year. But many analysts, local and foreign, agree with the often-expressed view of French Finance Ministry officials that the trade problems are linked to the product mix of French industry and would not be solved by a devaluation. Opponents of devaluation note that French labor costs currently are rising less quickly than in West Germany and that the inflation gap between the two countries has narrowed

NALYSTS who see no likelihood of a devaluation attributed the sudden, sharp deterioration of the frane to a new Bank of France strategy that was unveiled last November. This is to immediately let the franc sink once the rate comes under

This strategy, analysts say, has two goals. One is to limit the loss of reserves used to defend the currency. Instead of singlehandedly trying to stabilize the rate, the new policy is to let the rate fall to a level where France and West Germany are obliged to intervene, forcing the Bundesbank to share the cost.

The second object is to quickly get the franc to a rate low rough to dampen speculators expectations of windfall gains, thereby reducing the temptation to speculate.

Past experience has shown that after a devaluation the franc soars and the mark weakens, setting the two currencies at the

maximum EMS spread of 5 percent apart from each other. That means a mark is worth fewer francs immediately after a devaluation than it was before the change.

Although last week's defense strategy was not accompanied by an increase in the Bank of France's intervention rate, another sool.

simed at dampening speculation by making it more expensive, inoney market rates were driven up. One-month Eurofranc rates Friday rose a sharp 1/2 percentage point to 81/4 percent.

French analysts who see no danger of a franc devaluation do fear that turbulence within the EMS could upset the calm that was re-established in the foreign exchange market earlier this year and trigger a new attack on the dollar. By week's end, the dollar was trading at 1.6585 DM, a low not

seen since early January, despite some favorable economic figures. Washington reported Friday that wholesale prices last month fell 0.2 percent, after jumping 0.4 percent in January, while retail sales, up 0.6 percent, were less torid than had been

Although reassuring, the figures conflict with the image left by Although reassuring, the figures conflict with the image left by the previous week's report of a very rapid increase in employment, which created worries that the U.S. economy may be expanding too fast to allow a continued narrowing in the trade deficit or a sustained low rate of inflation.

Concern about price developments was heightened last week by the rise in raw materials prices. Oil, which recently had been trading in a range of \$13-\$14 a barrel on the European spot

market, ended the week at \$15.

The big test for the dollar will come this Thursday, when the See EUROBONDS, Page 15

Currency Rates

ď		\$		D.M.	F.F.	Pt.L	Gldr.	B.F.	S.F.	Yen
:	Ansterdarin	1.865	3.454	7.1244	0.33	· 0.1512 *	_	5347	1.3626	1461
٠	Drussels(a)	34,7925	64.33	20,540	6.1465	2.816	18.6335		25.37	2.73
	Frankferi	1.4574	3.674		0.2934	6.1344 °	0.2014	4,775 °	1.212	-1.396
_	Lended (b)	1.053		3.0775	18.465	2,280.50	3,437	14.40	2503	235.75
	Milan	1,234.58	2.264.70	743.00	217.51	_	661.74	35.51	900.25	7.745
	New York(c)		1.8975 b	1,4585	. 5442	1,229.50	1.2645	34.73	1.367	127.30
ď	Peris	545	10.476	3,409		0.4583 **	3,9329	0.1628	4,1324	. 445
	Tekno	128.00	236.42	76.95	22.54	0.1037	68.56	3.684	72.87	. —
3	Zorich	1.3715	2.54	0.825%	. 0.2025	. 41113 *	0.7345	3,9472*		1,0774 *
Ň	1.ECU	1.2472	0.6727	2.0682	7.0467	1,535.33	2.3255	43.3217	1,7074	158,607
1	I SOR	1.2763	9.7436	22861	7.7784	7,694,92	2.5765	47.5774	1.0546	176.147
	Closings in I o: Commerci quated: N.A.:	lat trans.	b: To bu	Zurich, v one p	fixings i gend; c:	n other ca To buy on	nters. No e dollar.	w York c	losine n of 190; i	ules. N.Q.: not
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Last Week's Markets

All figures are as of close of trading Friday

ì	Stock In	denes	· .		Money Rates		
	Valind States		Mar. 4	Ch'ge	United States	Mor. 11 .	Mor, 4
	DJ Indus. DJ Uffil. OJ Trons. S & P 190 S & P 500 S & P Ind NYSE Co	2304.58 177.34 847,12 251.55 264.34 307.39 149.45		0.31 %	Discount rate Federal funds rate Prime rate Japan Oiscount Call money 3-month Interbook	6 672 872 272 372 3 13/14	6 7/16 892 292 3 9/16 3 13/16
£		1,811,60 1,449,90 25,543,73	1,478,70	1.25 % 1.95 % 0.28 %	West Sermony Lontbard Call money Smorth Interbank Sylvais	4½ 3.30 3½	4½ 3 9/16 3 13/16
V	Commerzisk Hoos Kons		1,388,70	+9.24 %	Bank base rate Call money 3-month interbank	9 8%	57s 914
1	Hong Seng	2.595.45		+ 4.98 %	Gold March		5

OPEC Cut Now Held Unlikely

Plan on Output Meets Opposition

By Youssef M. Ibrahim

New York Times Service
TUNIS — OPEC members seem to have abandoned a proposal to cut output by about 5 percent be-cause of fears that sacrifices would be negated by other oil producers. Some members insisted that OPEC should first secure a commitment from producers outside the Organization of Petroleum Ex-porting Countries that they would also reduce production.

Oil producers that are not members of OPEC met in London last week to discuss the slide in prices. Egypt's oil minister, Abdel-Hadi Mohammed Kandil, who arranged the meeting said the countries were interested in working with OPEC to cut output and bolster prices. But the group took no action.

OPEC officials said oil ministers bave been discussing whether OPEC's pricing committee should meet to consider the sharp decline in oil prices in the last few weeks, a fall that leveled off last week.

The drop brought the average OPEC price down to between \$13 and \$14 a barrel from the cartel's official level of \$18 a barrel. But late last week, the price of

North Sea Brent crude rose nearly \$1 in two days to finish Friday at \$15.10 a barrel for April delivery. Prices were bolstered during the week by reports of the OPEC dis-cussion and by the meeting of non-

OPEC producers, OPEC officials suggested that many differences of opinion existed within the organization.

Algeria has argued that a cut must be carried out by those members that exceeded their quota late last year and earlier this year, most notably the United Arab Emirates and other producers in the Gulf region, the OPEC officials said. Saudi Arabia has taken the view that it has never exceeded its quota and has indicated it will make no

overproduction of others. Sandi officials argue that, before any new measures are adopted by OPEC, existing accords must be pected

further cuts to compensate for the

Coke Pours Effort Into Overseas Markets

ATLANTA - Coca-Cola Co.,

maker of that most American of products, earned more money from soft drinks in Japan last year than it did at home - despite a record year in the United States.

That Japan produced about \$350 million in operating income tor Coke, compared with \$324 million from the United States, is partly a result of the stronger yen boosting earnings when translat-ed into dollars. But it is also a startling symbol of Coke's in-creasing concentration on fast-growing international markets.

drinks around the globe — it ont-sells Pepsico Inc.'s Pepsi-Cola products 3.6 to 1 outside of North America — Coke is now investing even more money and manage-ment attention on its still-developing markets, such as Europe,

vestment at a time when a sweep-ing two-year restructuring has left it with strong cash flows, \$1.5 billion in ready cash and a like amount in borrowing capacity.
The restructuring involved spinning off Coke's entertainment business into a separate publicly traded company called Columbia Pictures Entertainment Inc. The company also spun off its bot-tling holdings into a company called Coca-Cola Enterprises. In both cases, Coke retained a 49

soft-drink operations at Coke's headquarters complex in Atlanta, the talk, as always, is of market shares and cola wars, of Coke versus Pepsi. But in the suite that houses the company's top three cosporate officers, a different sta-tistical litany is recited. Roberto C. Goizneta, the Cu-

By Richard W. Stevenson most giddy thinking about what it would be like if Thais drank as

Already the leader in soft and largely untapped regions, such as Asia.

Indeed, Coke is betting that foreign markets are the best in-

percent share. In the offices of the domestic

ban-born chairman and chief executive; Donald R. Keough, the Iowa native who is president, and Clans M. Halle, a German who is president of the international division, tick off country-by-country per capita consumption fig-tres as easily as they pop the top on another soft drink can; In the United States, 274 eight-ounce servings of Coca-Cola products for every man, women and child last year, Australia, 177; Germa-ny, 155; Japan; 89; Great Britain, 63 and Thailand, 26. Coke executives become al-

much soda as Texans. Mr. Keough lights up when he talks of indonesia, where a population of 180 million in a hot, humid climate drinks only 3.2 servings of Coke products per person each



A Coke bottle for the Chinese market, still relatively small.

year. Then there is China, with annual consumption of just 0.2 servings for each of its 1.1 billion

people.

"If we could get per capita in China up to what we have in Australia," Mr. Keough said, "we would have another whole Coca-Cola Co. there."

That may be a pipe dream giv-en the low incomes and lack of distribution systems in develop-ing countries. But analysts agree that the potential for consistent international growth is high. Unlike the United States, Coke's problems in most coun-tries have little to do with Persi

tries have little to do with Pepsi. Coke's biggest tasks are to make its products available and to convince consumers that they should drink soft drinks instead of other beverages, or at times when they normally drink nothing at all. The problems—and strategies

 vary greatly from region to region. In Germany, Coke needs to streamline a chaotic bottling structure. In Indonesia, its plan to increase its retail outlets to 300,000 from 90,000 includes a provision for buying 20,000 rudi-mentary pushcarts. In China it must also cope with the govern-

to convince consumers to drink soda with meals.

tense former engineer who has topped 40 percent last year for beaded the company since 1981.

ment's foreign-currency controls.

Sales of its brands are growing at 6 percent a year versus 4. Sales of its brands are growing whole. Despite continuing prob-"Sometimes the competition is lems with new Coke, its total market share for all its hrands

Coca Gola AT A GLANCE Coca Cola per coptta consumption, country-by-country, a eight-ounce servings.

All dollar amounts in millions,

Three months en	ded	
Dec. 31	1987	1986
Revenues	1,990	1,720
Net Income	193.0	314.5
Egraings		
per share	0.52	0.82
Year ended		
Dec. 31	1987	1986
Revenues	7,660	6,780
Net income	916.7	934.3
Earnings		
per share	243	242

Total market share was over 40% in 1987 with Pepsi-Cola more than 10 points behind, according to Beverage CHINA

become almost giddy thinking what it would be like if Thais drank as much soda as Texans.

foods. But Coke can afford to be patient. Its immensely profitable domestic soft drink business has settled back into steady growth, three years after the bungled introduction of new Coke raised questions about whether the company had lost its marketing

BRITAIN

UNITED STATES 274

AUSTRALIA

GERMANY

JAPAN

"Sometimes it is water, some-times it is wine." age Digest, an industry publication. That kept Pepsi, whose It may be some time before the share also grew, more than 10 free Diet Coke with their coq au

A decline in the share of origi-

free Diet Coke with their coq au vin, despite the French government's recent lifting of an 85-sic, has been arrested and reversed list market share last year was up nearly a full point, to 19.8 percent. Each share point represents about \$380 million in retail sales, according to Beverage Di-

gest.
The company insists that new
Coke remains its flagship brand
in the United States — it was
never introduced abroad — even though it is barely among the top 10 soft drink brands and its share is slipping steadily. Conceived as a sweeter, smoother drink to win the younger drinkers who were turning to Pepsi, new Coke is likely to survive as what Coke executives call their "attack" brand. By that they mean they can use it to battle Pepsi without sullying the reputation of Coke Classic by comparing it directly to what in Atlanta is usually referred to only as "our nearest

Diet Coke, introduced in 1982, See COKE, Page 17

Hachette **Bids for** Grolier

\$415 Million Offer For U.S. Publisher

The Issua wird Press
NEW YORK — Hachette SA, the French media group, said Sun-day that it was launching a \$415 million bid for Grolier Inc., a U.S.based publisher of encyclopedias and educational books.

Hachette. France's biggest publisher, said in a statement that it would launch a tender offer Monday to pay \$21 cash for the 95 percent of Grolier's 19.5 million outstanding common shares that it does not already own.

The offer expires at midnight April 8 unless extended.

Grolier's stock rose 87.5 cents to \$15.875 a share Friday on the New

York Stock Exchange. Hachette said that an acquisition of Grolier, a company based in Danbury. Connecticut, that has international operations, would make it the world leader in the field of encyclopedia publishing.

Grolier posted a profit of \$22.1 million in its 1987 fiscal year, up 77 percent from the previous year. Sales were \$424.2 million, up 21

In addition to encyclopedias, Grotier publishes reference and educational books, juvenile books and furniture, trade publications and yearbooks, Grolier also owns Mystic Color Labs, a mail-order

The company has about 7,200 employees.

The 162-year-old Hachette, which reported sales of more than \$3 billion in 1987, has operations in book and magazine publishing and distribution, radio broadcasting, movie and television production and outdoor advertising.

Hachette publishes magazines such as Elle, Paris Match and a new French edition of Fortune, and owns Curtis Circulation Co., a na-tional magazine distributor in the United States.

lean-Claude Lattes, vice presi-dent and director of Hachette's international book publishing husi-ness, said Hachette would dedicate 'substantial resources" to the ency-

This announcement appears as a master of record only.

MARCH 1988

U.S. \$1,000,000,000

CHRYSLER FINANCIAL CORPORATION

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In South African Mines, A Residue of Distrust

More Turmoil Seen in Gold Industry, Reflecting the Country's Race Crisis

By John F. Burns New York Times Service JOHANNESBURG — Along the undulating highway that leads southwest from this city, a traveler passes through countryside made jush by summer rains. It is a place of farms and fruit stalls, but on the hillsides back from the road stand the sentiness of a harsher world, the towers of concrete and steel atop

South Africa's richest gold field. It was here in mines that underpin the economy of this racially divided nation that the National Union of Mineworkers, a black union formed in 1982, mounted a 21-day strike last August. Although the walkout was resolved relatively quickly, it was the most costly strike sustained by the economy and left a residue of distrust. It also left uncertainty about the future of left uncertainty about the future of South Africa's mainstay industry

and the country's largest company, Anglo American Corp.
The stoppage ended with six strikers dead and hundreds injured and it cost hundreds of millions of dollars in lost production and physical damage. It also raised questions about the ability of Anglo American and other major minmg companies to handle increasing unlitancy among black workers, who constitute more than 85 per-

cent of the total work force. Six months after the 1987 walkout, some mines are still struggling to regain the production levels of

before the strike. Although share values have at least partly recovered from the dising ill feeling suggests to many that the industry may be heading into years of stufe that will further destabilize the economy. The strike seems to have hardened attitudes all record with the record built under the correction will have to be more rigorous in protecting its interests. But this group has had to contend with other executives who are loath to compromise on the record built under the correction with the correction will have to be more rigorous in protecting its interests. But mai levels of the strike, the continuall round, within the government, the mining companies and not least among the mmers.

among the miners.

The union's leader, Cyril Ramaphosa, has said the stoppage was
only a "dress rehearsal" for future
strikes, the first of which could come later this year when the one-year contract that emerged from

the 1987 strike expires.

Mr. Ramaphosa, who is closely associated with the outlawed African National Congress, the leader of the political resistance among blacks, has vowed that there will be no end to confrontation on the nines until whites abandon apart-

For its part, the government has

reacted by proposing changes in the labor laws that would make

legal strikes more difficult to call producing about 670 tons of gold a and impose crippling financial pen-

atties on those calling illegal stop-pages. A broader crackdown last month banned all political activity by the Congress of South African Trade Unions, the organization that has coordinated the growing challenge that blacks have been The miners' union, the congress's

most important affiliate, has not been banned. But at the Chamber of Mines, the industry group that represents the major mining companies in negotiations, the strike has stiffened doubts that many companies had long harbored about the consequences of allowing black unions.

Perhaps most significant, the walkout has fostered a new toughness at Anglo American, employer of 40 percent of the 650,000 black mine workers in South Africa.
At Anglo, as it is known, execu-

tives have for years fostered an image of corporate harmony, one suited to the genteel traditions of the Oppenheimer family that guided the corporation from its beginnings the corporation from its beginnings in 1917 to its stature today as the colossus of the South African economy. It has more than 600 corporate subsidiaries, 800,000 employees and reported profits last year of more than \$600 million. But the quiet confidence at the company's Johannesburg headquarters was badly shaken by the internal strife that the stornage set off.

that the stoppage set off.

Among the corporation's top executives there is a powerful group associated with Gavin F. Relly, the company's chairman, that has little trouble with the idea that the corder Harry F. Oppenheimer, the for-mer chairman, as one of the most progressive employers in South Al-rica on issues of pay and rights for

The division at Anglo is symp-tomatic of the wider crisis facing white moderates. The struggle over the country's future has come down to a test of strength between the intractable conservatives who control the government and black militants resolved to use every means including labor power, to advance black rule. In the process, the middle ground held by people like Mr.
Oppenheimer has been shrinking.
In the case of the gold mining industry, the implications for the

country are ominous. Throughout

the 1980s the industry has been

STOCK INCOVER		DESCRIPTION OF THE PARTY OF THE	
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\$ & P 100 257.55	254.07 0.99 %	Joron .	
5 & P 500 254,94	267.31 0.89 %		1/2 2½
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<u>Britials</u>		West Bermany .	
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Nikkei 225. 25.543.73	25,615,62 0.28 %	3-month Intertonk 3	15 3 13/16
	20 mi - wa 1	S. Host	
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Hong Sens 2,595.45	2,47238 + 4,98 %	S-Moral And South	

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New International Bond Issues

Compiled by Laurence Desvilettes

issuer	Amount (millions)	Mat.	Coup.	Price	Price end week	Terms
FLOATING RATE NO	TES			٠.		
Hash Vi	\$33.20	1993	0.23	100:10	.÷ —·	Over 6-month Libor. Noncollable. Fees 0.11%. Denominations \$100,000.
TMC VI	£ 100	2015	0.325	100		Over 3-march Libor. Average life 4.6 years. Fees 0.57% Notes backed by U.K. home mortgages.
FIXED-COUPON		. 4	<u>:</u>			
Bergen Bank	\$75	1990	. 8	100%	99.58	Noncolloble, Fees 11/6%.
European Investment Bank	DM 400	1998	5%	100	98.25	Noncelloble, Fees 136%.
Compagnie Financière de Crédit	DM 300	1998	6/4	100%	98.15	Collable at 101 in 1993. Fees 29/%,
Industriel et Commercial				٠.		
NZI Overseos	DM 150	1995	6	1011/4	98.75	Noncollable, Fees 216%.
Bardays Bank Finance	£ 250	1993	91/2	100%	98.38	Noncollable, Fees 13/5.
Compagnie Bancaire	£ 50	1993	9%	101%	98.63	Noncolloble, Fees 1%%
Ford Credit Funding	£ 50	1993	9%	1011/4	99.31	Noncollable, Fees 196%.
Halifax Building Society	£ 100	1993	10	101%	99.38	Noncoflobia, Fees 13%.
National Provincial Building Society	£75	1993	10	101%	98.38	Noncollable, Fees 1%%.
BACOB Finance	рк 250	1991	10	1013%	100.78	Noncollable. Fees 136%.
European Investment Bank	ECU 150	1996	71/2	-101%	98.88.	Noncollable, Fees 2%.
Outokumpu	ECU 50	1995	B'	100%		Noncollable private placement. Fees 17%.
Pirelli Financial Services	ECU 80	1991	71/2	1011/4	99.73	Noncollable, Fees 146%.
Die Erste Oesterreichische Spar-Casse Bank	Cs 50	1991	91/2	10114	99.88	Noncollable, Fees 136%.
ASLK-CGER	Aus\$ 50	1991	12%	101%	99.98	Noncollable, Fees 11/%.
Girozentrale und Bank der Oesterreichischen Sparkassen	Aus\$ 50	1992	1234	101%	100.00	Noncallable, Fees 15/16.
Tosmonion Public Finance Corp.	Aus\$ 65	1995	13	101%	99.63	Noncollobia, Fees 2%.
Banque Indosuez	Y 13,000	1993	7	101%	<u>-</u>	Rademption amount will be based on the price of the Japanese government band futures contract due Dec. 1992 Issue split equally in a bear and ball tranche. Fees 17/2/ Denominations 100 million yets.
EQUITY-LINKED						
Asohi Breweries	\$ 300	1993	4%	100	170.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 1,635 yes per share and at 129 yes per dollar: Fees 245%.
Zenitaka	\$ 50	1993	open	100	104.00	Coupon indicated of 410%. Noncollable, Each \$5,000 non- with one warrant exercisable into company's shares at to expected 21/% premium, Fees 25/%. Terms to be set Mand

EUROBONDS: Currency Fireworks Shake Market

U.S. trade figures for January will be reported. Most experts guess the deficit will widen to around \$14 billion from December's \$12.2 bilfinon, from December 3.3122 or-fion, largery due to seasonal fac-tors. A larger figure could further unsettle the foreign exchange mar-ket while a smaller figure would obviously help calm it.

Seen against these uncertainties it was no surprise that only one straight Eurodollar bond was marketed last week - \$75 million for Bergen Bank offered at 100% with a was a short two years, further reflecting investors' nervoosness about dollar assets.

The bulk of the week's activity was in the sterling market, where five issues totaling £525 million were offered. All of the issues were for five years, a maturity targeted for foreign investors rather than British institutions, which prefer 10-year bonds. There is still considerable speculation that the British budget to be presented Tuesday will foster a decline in interest

By Carl Gewirtz

PARIS—Pirelli SpA tapped the international credit market last week for \$2.3 billion to finance its

proposed takeover of Firestone Tire & Rubber Co.

INTERNATIONAL CREDIT

\$1.93 billion but on Friday, Pirelli

said it was prepared to negotiate and be flexible on all the terms of

3/16 percent, or 18.75 basis points,

and if drawn will cost % point over the London interbank offered rate.

Bank Corp. and Credit Suisse, ar-

rangers of the loan, said the re-

sponse was "very positive."
The remaining \$1 billion will be divided, with SBC and Credit

Suisse providing \$500 million and

Mediobanca SpA of Italy the re-

Trizec Corp., a Canadian-based

refinance existing debt and for gen-

French leisure group, is in the mar-

eral corporate purposes.

12½ basis points.

ties owned by Trizec.

500 million francs.

the proposed agreement.

Its unsolicited bid is valued at

onal Herald Tribune

issues were running into trouble.

greatly attracted to building societies, bankers report. In addition, National is not rated by the major bond rating agencies. Its issue was priced to yield 75 basis points more bond rating agencies. Its issue was priced to yield 75 basis points more than domestic government bonds and 10 basis points more than an issue offered by Relationary to the name of the points more than an issue offered by Relationary to the name of the points with the points of the

flooding into Germany. The Euro-

francs and 8 basis points over Li-bor to borrow other currencies.

there will be a utilization fee of 24

basis points and if more than two-

thirds is used the fee rises to 5 basis

ranging the Club Med facility, is also arranger for the dairy compa-

ny Bongrain SA's facility of 100

million European currency units. This also will be for five years and

over Libor. Utilization fees are

The annual facility fee is 6 basis

extendable to seven.

identical to Club Med's.

The market is being solicited for only \$1.3 billion. The two-year at 10 basis points over the Paris credit carries a commitment fee of interbank rate or 6 basis points

Crédit Lyonnais, which is ar-

If more than one-third is drawn

ration of most of the speculative yield on comparably dated domesfizz about the currency, the later tic government bonds. But Credit Industriel & Com-Especially hit was the offering from National Provincial Building Society. Foreign investors are not

mercial's 10-year offering did not attract much support despite a coupon of 6% percent. Investors currently do not like subordinated bank paper or the fact that the French bank's issue is callable after

issue offered by Halifax, the largest cent bonds, but repelled many-in-to-building society, which also tapped vestors with the 1014 offering the market However, National's isthree points from the offering price and a point lower than the 99% for Halifax

Hong Kong Exchange

Hong Kong Exchange Bankers said the oversupply of last week at a 4-point discount, paper was a problem, but they say foreign investors remain attracted said it would not maintain the price by sterling's high interest rates and within the 2½ percent fees just to Douglas Ford has resigned as presi-the prospect of capital gains if rates buy back paper from underwriters dent of the Winnipeg Commodity

Isveimer, the Italian state credit

agency, is seeking 100 million ECU for seven years. Interest will be set

at 15 basis points over the inter-

hank rate for the first five years and

banks taking 10 million ECU are

drawing charge of 10 basis points over the interbank rate.

121/2 basis points.

then 18% basis points. Fees for over Libor.

In the sterling market, Reuters is seeking £150 million for five years.

S.G. Warburg is arranging the credit, which will carry an annual facility fee of 5 basis points and a mrd Tianjin. Guangdong

If more than half the amount is project financing of \$1 billion.

Acquisitions Helped Suchard Profit Climb 38% Last Year

coffee and chocolate company, has reported a 38.8 percent rise in 1987 net profit to a record 265 million Swiss francs (\$193 million), helped by two acquisitions of U.S. and Belgian confec-

Sales, boosted by last year's takeovers of E.J. Brach Corp. of the United States and Belgium's Cote d'Or NV, rose 16 percent to 6.10 billion

Announcing the results Saturday, it also ingetting 165 francs from 160 francs in 1986. The company said it was optimistic for 1988,

but gave no firm predictions of results. company capital climbed to 20.5 percent from The company said the major reason for the 13.6 percent, it said. profit increase came from improved gross prof-

Renters it margins, to 46 percent from 36 percent, ZURICH — Jacobs Suchard AG, the Swiss although acquisitions also played a part.

The improvement in margins resulted from growth in the higher yielding confectionary business within the group, lower coffee and cocoa prices and the fall of the dollar.

It also cited strict cost control and rationalization measures, part of a long-running process set to continue in 1988.

The company said sales volume grew despite declines from currency fluctuations, and price creased its dividends, with each bearer share cuts as a result of lower raw material prices. Profit grew to 4.3 percent of sales in 1987,

makes it the largest private em-

Last fall Morton Thiokol's

Mr. Locke has since said be

was only speaking bypothencally, but corporate officials are doing

little to dispel the notion that

to structure ourselves according

bly attached to any business." Those comments underscore

the growth-oriented culture of

year conglomerate that bas weathered the Challenger storm

with barely a dent in its balance sheet. The Chicago-based compa-

ny, whose diverse products range

from table salt to chemicals to

automotive airbags, reported a 16

percent increase in profit last

year to \$138 million on increased

revenue. Financial analysis have

predicted even better 1988 profit, about \$160 million, because of

the company's chemical division. Yet Thiokol's acrospace opera-

tion — a proud corporate show-case in the days before the Chal-lenger disaster — has seen its

financial contributions to the

"He added: "We're not indeli

ployer in the state

make an attractive offer.

West Germany remained the most important spending to 158 million francs.

market for Jacobs Suchard products, accounting for 37.9 percent of sales, although this slipped from 44.9 percent in 1986.

French sales represented 20.7 percent of revenue, down from 25 percent.

Partly thanks to the purchase of Brach, a leading U.S. confectioner, U.S. sales climbed to

16.6 percent from 5.9 percent of the total. Jacobs Suchard bought Brach from American Home Products Corp. early in 1987. Brach had 1986 sales of \$450 million.

Suchard also reported a 39 percent increase in operating profit to 471 million frames. In addition, the company reported a 34 perfrom 3.6 percent in 1986, while the yield on cent increase in cash flow to 394 million francs. a 24 percent increase in depreciation to 128 million francs and an 86 percent jump in capital

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ROYCO INVESTMENT CO. SA

Aerospace is Heavy Cargo for Morton Thiokol Net Asset Value on March 7, 1988 Analysts Say Conglomerate Plans to Jettison Trouble-Plagued Division

By Michael Isikoff

Washington Post Service PROMONTORY, Utah — Before one of its solid rocket boosters blew up on national television in 1986 and crippled the U.S. space shuttle program, Morion Thickol Inc.'s best-known prod-uct was Morion table salt, whose trademark slogan was, "When it

That also describes the way affairs have gone here at the com-pany's Wasatch space factory, where the boosters for the space shuttle are made. No sooner had the maelstrom over the explosion on the shuttle Challenger died down last year than Wasatch offi-cials were joited by a plague of lost contracts, disputes with the Air Force, and a devastating fire last December that killed five workers assembling an MX missile motor.

What's more, two flaws have been discovered recently in the company's redesigned booster rocket for the shurtle, delaying Morton Thiokol, a \$2 billion-a-

the resumption of further flights. Now. Wasatch — the world's largest rocket factory — may be facing even more troubles. According to some analysts, corpo-rate parent Morton Thiokol is laying the groundwork to put its entire aerospace division, including Wasatch, on the auction

"I think it's a good bet that this business is gone in a couple of years," said Katharine Plourde, an investment analyst who tracks the firm for the investment firm of Drexel Burnham Lambert Inc. "All they are getting from aerospace is a low return on their investment and a big beadache."
As the monopoly supplier of
the giant shuttle boosters and a maker of smaller propulsion sys-tems for the MX, Trident and

company steadily decline, from nearly 50 percent of earnings be-fore the Challenger accident to less than 27 percent last year. Moreover, analysts say future Midgetman missiles. Wasatch is among the most strategically improspects for Wasatch are even bleaker: Tighter defense budgets and a potential strategic arms agreement are likely to further shrink the solid rocket market. portant acrospace facilities in the agreement are likely to further shrink the solid rocket market:
And if Congress approves the National Aeronautics and Space the salt maker, and the Thiokol country. Located in a sagebrusb desert 20 miles (32 kilometers) to the north of Brigham City, it is also a major economic presence

in Utah: Its work force of 8,000 Administration's proposal for a Chemical Corp., a synthetic rubnew government-owned rocket factory, Wasatch could find itself out of the shuttle business entire-ly by the early to mid-1990s, in-

chairman, Charles Locke, a self-styled "cold-eyed accountant," alarmed employees in the sprawldustry officials say.
This was a growth business in analysis that be would be willing to sell his company's acrospace division if somebody were to **What Shuttle**

> **Morton Thickol** contributions from various divisions for fiscal years ending June 30. In millions of

Means to

such a move is being considered. "We have a commitment to be a growth company for our share-holders," said Thomas S. Russell, vice president for corporate development and strategic plan-ning. "If we can't do that in the acrospace business, then we have

Pretax operating income 400 17% of Total Salan

For aerospace as a whole, the contribution to company profit has fallen below 27 percent from nearly 50.

the early 1980s, but like any business, it changes over time and this one has changed negatively," says
Ms. Plourde. "I think they bave
got other things they want to do."
Thiokol's current incarnation ber maker that founded the Wasatch facility in the 1950s to make rocket propulsion systems for the

combinations that are initially praised by analysts, the merger produced tensions, as well as a subtle but marked shift in corporate culture, according to several former executives. Within six months of the merger, eight top Thiokol executives, including its chief executive officer, Robert Davis, left under hicrative depar-

ture agreements.

Although the merger was supposed to be a marriage of equals. the new company was in the hands of Mr. Locke and his colleagues from Morton Norwich financial managers who had no technical grounding in the rocket business

"In Thiokol, top management was well sprinkled with technical managers," said Harold Ritchey, who retired as Thiokol's chairman in 1978. "But at Morton, the top management were people who bad come through the financial side," He added that Mr. Locke "certainly lost some very experienced management in that

Mr. Locke declined to be interviewed by The Washington Post. But Thiokol officials adamantly rejected any suggestions that the managerial exodus following the merger explains the company's problems. Mr. Russell, the vice president, noted that many of those who left were approaching retirement age, while many of Mr. Locke's principal deputies including aerospace vice presi-dent U. Edwin Garrison - came up through the ranks of the old Thiokol company.

Mr. Garrison, for his part, is

convinced the company can overcome its problems, once the shuttle is up and flying again, "We're still in the lishbowl," Mr. Garrison added. "We need a couple of good flights under our belt to regain the confidence of the country."

But as with many Wall Street

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Competitors complained that drawn, Reuters will pay a utiliza-the Bongrain terms were aggres-

will foster a decline in interest rates.

flooding into Germany. The European Investment Bank's 400 million Nomura Securities: \$200 million DM bond, carrying a 10-year maturity and 5% percent coupon, before sterling blew its cap, was for Barclays Bank and attracted heavy demand. The size of the issue was increased £50 million to £250 million to £250 million to £250 million to £250 million. But by Friday, with the evaporation of the size of the size of the issue was about 20 basis points below the size of the coupon was likeling. The form Nomura Securities: \$200 million is target lion, of which \$60 million DM. Hong Kong Futures Exchange of for Asia, and 100 million DM. The dollar issue was already being a colony's government and a group premium of 113 without anyone yet of banks extended it emergency knowing what the coupon was likeling to the coupon was likeling to the size of the issue was already being the dollar issue was already being a colony's government and a group premium of 113 without anyone yet of banks extended it emergency knowing what the coupon was likeling the first issue, launched before sterling blew its cap, was for the dollar issue was already being a colony's government and a group premium of 113 without anyone yet of banks extended it emergency knowing what the coupon was likeling the first issue, launched banks and look is target. The dollar issue was already being the dollar issue was already being the colony's government and a group of banks extended it emergency knowing what the coupon was likeling the first issue is a colony's government and a group of banks extended it emergency knowing what the coupon was likeling the first issue is a colony's government and a group of banks extended it emergency knowing what the coupon was likeling the colony is government and a group of banks extended it emergency knowing what the coupon was likeling the colony is government and the premium of 113 without anyone yet of banks extended it emergency in the colony is government and the premium of 113 Pirelli Seeks \$2.3 Billion to Fund Firestone Bid

tion fee of 2½ basis points. Fees for banks underwriting £25 million to-tal 6 basis points. The terms were described in the market as tight.

India's Shipping Credit Invest-ment Co. is seeking \$60 million for 10 years with interest set at ¼ point

Meanwhile, Air India is sound-

Also sounding the market are the

Chinese province of Guangdong

and the municipalities of Shanghai and Tianjin. Guangdong reported-ly is aiming for a fixed-rate yen loan, while Tianjin is looking for a

ing the market for proposed terms

bonds offered at 100% were trading Names a Canadian CEO

WINNIPEG, Manitoba -Despite the strength of the mark on the foreign exchange market, there was no evidence of money flooding into Germany. The English paper from underwriters dent of the Winnipeg Commodity exchange to become vice chairman and chief executive officer of the Hong Kong Futures Exchange flooding into Germany. The English paper from underwriters dent of the Winnipeg Commodity exchange to become vice chairman and chief executive officer of the Hong Kong Futures Exchange.

This amountement appears as a maner of record only

6%% Bearer Bonds of 1988 (1998)

Kreditanstalt für Wiederaufbau

Kreditanstalt für Wiederaufbau, Frankfurt am Main, issues 61/4% Bearer Bonds of 1988 (1998) in a total amount of

DM 750,000,000.-

The net proceeds of this issue will be used for long-term investment loans. DM 700,000,000.- of this amount are offered for sale by the syndicate of banks listed below.

99%% plus Stock Exchange Turnover Tax with adjustment of interest.

61/4% p.a., payable annually in arrears on March 16, of each year. The first interest coupon will be due on March 16, 1989.

Denomination: DM 100.- or a multiple thereof.

10 years. The Bonds will be redeemed on March 16, 1998 at par. Redemption prior to Lifetime/Redemption: maturity is excluded.

Federal Republic of Cermany, including Berlin.

Ranking as Trust Investments/ The Bonds rank as trust investments and are eligible for investments by insurance Eligibility for Investments by companies, according to the German laws.

Insurance Companies:

Eligibility as Collateral for

Loans by Deutsche Bundesbank upon admittance for trading and official quotation. ("lombardfähig"):

Stock Index Number:

Sale:

Delivery:

The Bonds are eligible as collateral for loans by Deutsche Bundeshank ("lombardfähig") The Bondholder receives a Central Deposit Advice from the bank appointed by him.

Definitive Bonds will not be available. The Bond issue will be evidenced by one Global

The Bonds will be offered for sale by the undersigned banks as from 10day

Allotments of Bonds will be at the discretion of the selling banks.

Euro-Clear Security Code Number:

55 677. The detailed Offer for Sale to be published in the Bundesanzeiger (German Federal Cazette) is available from the banks.

The Bonds will be admitted for trading and official quotation on all stock exchanges of the

Frankfurt/Main, March 1988

ADCA-Bank Aktiengesellscheft ADCA-Bank Attengeselschaft
Aflgemeine Deutsche Credin-Anstalt
Amro Handelsbank Aktiengesellschaft
Arab Bankhing Corporation Daus & Co. GmbH
Bankhaus H. Aufhauser
Baden-Wirttembergische Bank
Aktiengeselschaft
Badsche Kommunale Landesbank
— Omzentrale -

Bank für Handel und Industre

Bank für Gemeinwrtschaft Akuengesellschaft
Bank für Handel und Industre Bank für Hander und Industrie Aktiengesellschaft Bank in Liechtentern (Frankfurt) CmhH Bank of Inkyn (Deutschland) Aktiengesellschaft Bankenumon Frankfurt am Main

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mankers described the terms as reasonable, and officials at Swiss Bank Corp. and Credit Suisse, ar-

By H.J. Maidenberg New York Times Service

NEW YORK - U.S. bond prices rose as much as % of a percentage point Friday after a lethargic week, buoyed by indications of modest economic growth and a

U.S. CREDIT MARKETS

real estate developer, is seeking a seven-year ioan of \$150 million to lower inflation rate. But in the absence of strong retail demand, ana-The loan is to be drawn within 30

days of the signing and interest will be set at 18% basis points over Libor. Front-end fees for banks unannounced on Thursday.

Bond dealers cautioned that derwriting \$15 million will total most of Friday's gains reflected slightly from 8.47 percent a week purchases by those who had previously sold Treasury issues short, notes, the 8% issue of 1998, climbed perchases by those who had previ-The loan will be secured by soously sold Treasury issues short, nior debentures backed by properrather than fresh buying by retail

Club Mediterrance SA, the investors Most of the short-covering came ket for a multi-option facility of This will run for five years and 0.2 percent in February, following rate, the key overnight lending rate

mecome securities. If the facility is drawn, Club Med The government also said retail will pay 10 basis points over the interbank rate to borrow domestic sales rose 0.6 percent in February, economist at Dean Witter Reyn- the numbers."

which normally might unsettle the olds Inc., said that if Friday's bond market by suggesting a relatively rapid rate of economic ex-pansion. But the figure was smaller than expected, and was largely offset by a revised January figure the week, as well as the recent reshowing a decline of 0.2 percent bound in crude oil futures."

He added that the retail sales

reported previously.

Despite some profit-taking, the Treasury's bellwether 30-year bonds were offered late in the day at 103, up 21/32 from Thursday's lysts expect steady prices until the finish, or about \$6.25 for each U.S. trade figures for January are \$1,000 face amount. The bonds yielded 8.50 percent, down from 8.56 percent on Thursday but up

11/32, to 98 29/32, for a yield of 8.28 percent Meanwhile, the discount rates on early, after the government reported that wholesale prices had fallen changed, as was the federal funds

may be extended to seven years. a gain of 0.4 percent in January. among banks. The funds rate was 6. The annual facility fee is 5 basis. The low rate of implied inflation. 9/16 percent for most of the day in was bullish for investors in fixed- the absence of Federal Reserve intervention.

William V. Sullivan Jr., chief

He added that the retail sales

somewhat better than expected, but not by much." Just as bond prices marked time last week as investors awaited Friday's economic reports, Mr. Sullivan expects they will do the same until the trade figures are released

and wholesale price figures "were

Maria F. Ramirez, managing director and money market economist at Drexel Burnham Lambert Inc., expects the January trade deficit to be \$13 billion, up from \$12.2 billion in December.

on Thursday morning.

"The major question facing the bond market is not whether the trade deficit will increase, or by bow much," Ms. Ramirez said, "but how overseas investors, parucularly the Japanese, will react to

Chinese Mines Fall Short of Targets

BEIJING — China's gold mining industry, which is believed to be the world's fourth largest, is failing to meet output targets this year, according to official press reports.

Smugglers, robbers, shortages of electricity, poor transportation and hoarding were cited by the China Daily. The state-owned China Gold Co. was quoted on Saturday as saying that mines had met less than 60 percent of the output target for the first two months of 1988.

State officials said output figures were secret, but industry sources estimate China's production at around 50 to 65 metric tons a year.

ranking after South Africa, the Soviet Union and Australia.

Gold mined by licensed individuals, who are bound by law to sell to the state, accounts for about 5 percent of national output. But because China pays only 994.1 yuan (\$269) per ounce — the world price is around \$440 - miners smuggle gold out of the country.

FIDELITY SPECIAL GROWTH FUND Société d'Investissement à Capital Variable 13, Boulevard de la Foire R.C. Lexembourg B 20095

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the shareholders of FIDELITY SPECIAL GROWTH FUND, a societe d'inves-Lisement a capital variable organized under the laws of the Grand Duchy of Licembourg (the "Fund"), will be held at the principal and registered office of the Fund. 13. Boulevard de la Foire, Luxembourg, at 11 a.m. on March 31. 1988, specifically, but without limitation, for the following

- 1. Presentation of the Report of the Board of Directors:
- 2. Presentation of the Report of the Statutory Auditor; Approval of the balance sheet and income statement for the fiscal year ended November 30, 1987;
- 4. Discharge of the Board of Directors and the Statutory
- Ratification of the co-option of Compagnie Fiduciaire as a Director of the Fund in replacement of Finintrust S.A.
- Election of eight (3) Directors, specifically the re-election of the following eight (3) present Directors: Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M. S. Patton, Harry G. A. Seggerman, H. F. van den Hoven and Companie Fiduciaire;
- Election of the Statutory Auditor, specifically the election of Coopers & Lybrand, Luxembourg;
- 8. Anthorization of the board of directors to declare dividends in respect of fiscal year 1987 if necessary to enable the fund to qualify for "distributor" status under United Kingdom tax law.
- 9. Proposal, recommended by the Board, to amend the provisions of Articles 8 and 9 of the Fund's Articles of Incorporation which presently provide that any owner of more than 3% of the number of shares the Fond is anthorized to issue many be required by the Food to redeem that excess amount. The Board recommends that the provisions be amended to permit the Fund to require any beneficial owner of more than 3% of the outstanding shares to redeem the excess.
- 10. Consideration of such other business as may properly come before the meeting.

With the exception of Item 9, approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented to order for a quorum to be present, Approval of Item 9 will require a quorum of at least a majority of the shares outstanding on the Meeting date and the affirmative vote of two-thirds of the shares present or represented at the Meeting. If a quorum is not present, Item 9 may be voted on at an adjourned session of the Meeting, at which no minimum number of shares will be required to be present or represented in order for a quorum to be present. Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy. Dated: February 15, 1988

BY ORDER OF THE BOARD OF DIRECTORS

GOLD: In South Africa's Mines, a Residue of Distrust and Prospects for Further Labor Conflict

year, 55 percent of the noncommunist world's production.

At a price of \$440 an ounce this sury, which has led some black militants to charge that apartheid is a system built on gold.

In 1979, the government, seeking a less repressive image after the 1976 riots in Soweto, a black satellite city outside Johannesburg, accepted the recommendations of a commission that urged the extension to black unions of labor rights traditionally enjoyed by whites.

When Mr. Ramaphosa began organizing the National Union of Miners in 1982 it was natural that his efforts should focus on Anglu American, Mr. Oppenheimer, now nearly 80 and retired, had argued insistently during the 1970s for the right of black unions to be estab-lished under law. It was a stand that at the time was far from uni-

versally popular in industry.

Mr. Oppenheimer did not pretend that his purposes were solely altruistic: A failure to transfer "the benefits of a free enterprise society" to blacks, be argued, would pusb them toward radical political solutions. Mr. Oppenheimer has backed his convictions with bundreds of millions of dollars in support for improvements in black bousing, education and medical care, as well as the moderate white political grouping, the Progressive Federal Party.

Perhaps the most significant

JOHANNESBURG — Buffeted by sanctions and the falling price of gnld, South Africa faces a financial squeeze that could threaten its ability to keep up heavy repayments of foreign

In the past three years, Pretoria has used the

surplus on its current account to repay about \$5 billion in foreign debt. But in January the

current account, a broad measure of trade in

goods and services, swung into a deficit of \$50

million, according to customs figures released

The unexpected deficit, the first since 1984, sent an early warning signal to international creditor banks.

Trade has been hit by a drop of more than 40

ercent in South Africa's exports to the United

States in the first nine months of 1987, under

U.S. Commerce Department figures show that South African exports to the United States,

once the nation's biggest trading partner, plum-meted to \$1.01 billion from \$1.82 billion during

the nine months, while imports from the United

States edged up to \$910 million from \$863

"I wouldn't say that there's a need to panic

about debt payments," said Mike Brown, an

the impact of anti-apartheid sanctions.

million.

ship lagged at other mining con-cerns, the union counted 60 percent of its 245,000 members among Anis worth more than \$10.5 billion a year, nearly half of South Africa's total exports. About 50 percent of these revenues end up in the Trea-

mines in the 1980s. While member-

gold and coal mines that closed belonged to Angla American or to companies it controlled, and the company's executives felt that their tolerance toward the union had been ill-rewarded.

A visitor to the Western Deep Levels mine, whose 23,000 black workers make it one of Anglo American's largest, senses how distant a resolution of the tensions between the company and the union is likely to be. Resentments generated by the strike continue to smolder, so much so that white managers worry that years of efforts to foster an improving morale have been lost.

Inside the mine near the town of Carletonville, 50 miles (80 kilometers) southwest of Johannesburg, a visitor finds ample evidence of the effort to improve the miners' well-being. Newly renovated hostels, modern sports facilities and a new town, Wedela, where miners with families are being encouraged to buy company-subsidized homes, give concrete expression to Mr. Oppenheimer's vision of black em- Black workers constitute more than 85 percent of the work force at South Africa's gold mines. ployees as beneficiaries, not victims, of the system.

fort can assuage the deeper pas-sions unleashed by the strike.

tion. But he said he was also con-nmy, and where better in focus was going to damage deep-level vinced that this would make the than the gold mines?"

was going to damage deep-level

Squeeze on Pretoria Could Threaten Debt Repayments

Hare Inc., "but there is certainly a need for

The shrinking balance of payments poses a

More austere economic policies run the risk

of aborting a tentative revival in the economy

and alienating white voters.

South Africa has been forced to curb domes-

tic growth in favor of a current account surplus

since 1985. In September of that year interna-

tional banks, alarmed by insurrection in black

townships, refused to allow delays in payments

This prompted Pretoria to impose exchange controls and declare a moratorium on the re-

payment of \$14 billion of short-term foreign

In March 1986, South Africa agreed with its

major commercial bank creditors to repay 5

percent of the short-term debt by the end of

In March last year, South Africa and the banks, which hold 80 percent of the short-term debt, agreed to extend for three years specific

Under present conditions, Standard Bank

limits on repayments of the debt.

problem for Finance Minister Barend du Ples-

sis, who presents the national budget to Parlia-ment on Wednesday.

Frederick J. Bayley, general mines a bostage to the country's

But among Anglo officials in mine, said he believes that the min- "You're not going to fight an open was a bad mistake, since it quickly day-to-day contact with the miners, ing companies have no alternative there is little optimism that the efbut to continue to accept unionizafor the heart of the country's econthat lasted longer than a few days

When the strike began, senior

economist at stockbrokers Davis, Borkum, Ltd. said in an economic review, "A current account deficit cannot be allowed to emerge." Mr. Brown said, "The January figures are not the end of the world, but they do emphasize how quickly the current account can move from a surplus to a deficit."

In January, when the current account moved into deficit, the price of gold was hovering around \$480 an ounce. It has since fallen to around \$440. South Africa produces about 20 million ounces of gold annually, so every \$10 fall in the

bullion price wipes about \$200 million off the balance of payments.

Chris Stals, director-general of finance and head of Pretoria's foreign debt negotiating

team, said it was not unexpected that the surplus on current account should shrink this year. But, he added, "Our debt repayment com-mitments are also much smaller this year.

"I've had absolutely no indication from the creditor banks that they are worried about the situation," he said.

South Africa has reduced its foreign debt to an estimated \$21 billion but will have to run surpluses until mid-1990 to meet its repayment

this year.

workings.
Within a week, Mr. Bayley and contribution the company made was to encourage, or at least not to seriously hinder, the union's recruiting efforts in Anglo American cruiting efforts in An prompt action in end the walkout had to be taken if the mines were not to be damaged beyond repair. It was then that the company de-cided to issue a 48-hour ultimatum to workers involved in deep-level operations to resume their shifts or

After a false start at Western Deep levels, where 3,000 men went underground and promptly began a sit-in, the ultimatum was extended. Ultimately 45,000 men were fired by Anglo, nearly one of every four working in the company's gold

According to the company's quarterly report, production losses caused by the strike ran to more than \$50 million.

Among the miners, the consequences are of another kind. Sullen silences are common when visitors descend into the mine and inquire about the strike.

A miner eating lunch in a cafeteria, wearing a union sweatshirt showing a miner raising a clenched fist, said that white supervisors had victimized workers whn joined the

next contract, they said, they w seek a no-strike agreement for t deep-level mines, or the incine of miners responsible for works the deepest shafts among the workers classified as essential a

thus exempt from strike action. Robert M. Godsell, the comp ny's principal consultant on lab problems, acknowledged that it crackdown to end the strike & prompted tense internal debate But he said that once the action had been taken, a conscast emerged. He suggested that when company's survival is threatens managers eventually reach a pos when they "seek to resume production by whatever means they is available."

in a bid to mend fences with 15 union, the corporation agreed after the strike to a three-month perio in which dismissed strikers won be considered first as the compar began rehiring. By last month more than 30,000 fired miners ha been taken on again.

At the same time, the corpor

tion has warned the union to adop a less militant stance. If Mr. Ram phosa ariempts to use his power the mines to advance a militar political agenda. Mr. Godsell a serted, he will end up compron ing the material gains that can b won for his members, and invite

backlash from the government. The But Mr. Ramaphosa's depun Marcel Golding, 27, dismissed so gestions that the union should stid "bread-and-butter" issues. Vi tually everything about the minifindustry, he said, was tied up with apartheid.

More than anything, Mr. Golding said, the proof of the identity of interest between the Afrikane who devised the apartheid system and "mine bosses" like Mr. Oppet beimer was their failure, despity

miners a decent wage.

The vast majority of the worders at the mine face — and they at the largest group on the mine. the largest group on the mines are earning between 280 rand 300 rand a month." Mr. Golding said. "And by every measure vo want to use, that's below the power ty line. So what you have here is company that promises the benefit of free enterprise, and keeps then all for the whites."

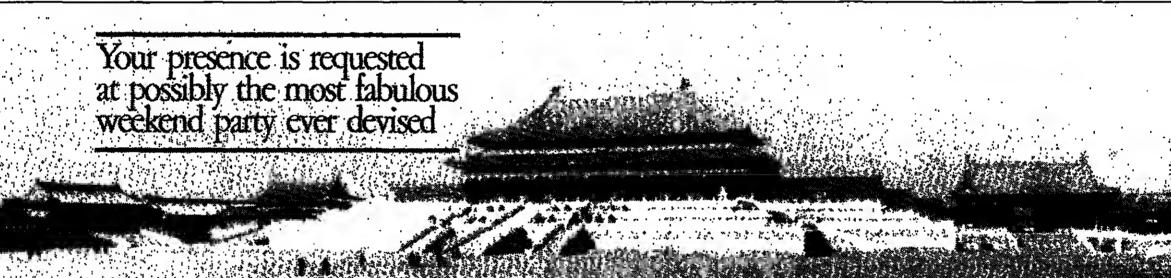
In a few months, negotiation begin on a new 12-month contract Early maneuvering suggests that Mr. Ramaphosa will be bidding to a wage increase beyond South Afri ca's inflation rate, currently ran ning at close to 17 percent. At An glo American, executives have sait they will fight anything that in poses a drag on earnings.

For the union and the Chamber of Mines, it may be difficult to avoid another strike. But whatever becomes of the talks in 1988, the At Anglo beadquarters, execu- of turmoil, with no end in view mmitments.

Repayments totaling about \$1 billion fall due is year.

tives say they are resolved never to until the country reaches a broad allow strike action to damage the accommodation on the matter company as badly again. In the that divide whites and blacks.

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- A Venetian masked ball and fireworks display in the pavilions of the Lake of Long Maxim's. Tan Hu with the orchestra "I SOLISTI VENETI".
- organized by Maxim's of Paris. Names of participants will be engraved on plinths at the base of the Wall, after a picnic luncheon sponsored by Petrossian.
- A brilliant reception at the Great Hall of the People, featuring performances by world-renowned

Paolo Conte, Mireille Mathieu,

As the high point of a ten-day journey to historical China, three days of festivities to benefit the restoration and preservation of two of mankind's greatest achievements: the City of Venice and the Great Wall of China. Proceeds to be distributed under the control of UNESCO.

Teresa Berganza, Montserrat Caballé, Mady Mesplé, Maia Plisserskaia, Manuel Legris and Sylvie Guillem accompanied by the Beijing National Orchestra, followed by an all-night surprise cabaret party organized by

5. JUNE. A banquet in the Forbidden City, together with an at auction — under the direction pagne reception at the Great Wall of Sotheby's - of specially designed works by such famous artists as:

Arman, Buren, Jenkins, Sol Lewitt, Cesar, Stark, Erro, Keith Hanng, J.P. Raynaud, Zao Wou Ki, Walter Dahn, Vasarely.

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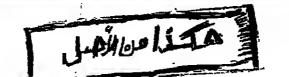
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On the Assembly Line, Kentuckians Struggle to Learn Japanese Ways

having been trained so far -"group leaders" and "leaders" in Toyolaspeak — both sides say they

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are pleased with the results. "They are more dexterous than I expected, and easier to teach," said Nobuyuki Matsuoka, Mr. Everly's trainer, as he watched his protege at work. On a table next to the essembly line lay a mimeographed secondly mic by a minotgraphed specific specific from the specific specific from the specific from the

Toyota production system step by step," Mr. Matsuoka added, "I be-lieve it can be successfully exported

to Kentucky."

By 1991, Toyota has said, 75 percent of the value of each of the 200,000 Camrys rolling off the line each year will be produced in the Client by Control States. Officials say that top executives, who at first will be mostly Japanese, will gradually be replaced by Americans.

Toyota, of course, is not the first

replaced by Toyota, of course, is not the man to take this road.

Toyota, of course, is not the man to take this road.

Honda Motor Co. opened an Ohio take this road.

Toyota to 1982 and already exports.

Nissan cars from there to Japan, Nissan Motor Co. operates a plant in Tennessee and Toyota itself builds cars in California in a joint venture with General Motors Corp. But Toyota - known for "tap-

ping even a stone bridge before responsible from the Japanese expression — hesitated long before building its own plant and then planned its training program with charac-

"Ten years ago, I was not confident that Toyota could be successful in the United States, where many top-class producers existed."

Mr. Klein, broad and bearded, is a big man, even by Kentucky stan-

tor of Toyota and president of the Kentucky venture. The importance of the Japanese economy in plant, said he has no illusions about the difficulty of transplanting the successful new products of the de-craiming t the world has shifted over the past

recent interview, "I really have for 18 years. "I was worried whethgreat faith in the people in Ken- er he could work in such a small

space. But, as you can see, he can The feeling appears to be mutu-move very quickly. I didn't have to al. More than 93,000 people have worry."

Through its training program in Japan, Toyota aims to export to its U.S. venture the group loyalty, dedication to the company and willingness to work hard that have helped bring the automaker success.

applied for 2,000 jobs. One third of those hired so far have college de-

One such employee is Dennis Raymer, who gave up a secure office job with the Social Security Administration to work in Toyota's paint shop. "If it had been Ford or Chrysler, I wouldn't have made the switch," he said, citing job security

as the main difference.

Mr. Everly, who has three school-age children and left a job in an American air compressor plant to work for Toyota, said: "I took some razzing at my old factory," where he was told "Oh, they'll work you to death." Bot, he said, "I took a cut in pay, because I believe in the group concept."

On a recent Friday morning, the day began with 6 A.M. breakfast for Wali Klein, 28, and about 50 other American workers in the third week of their Japanese tour.

American Exchange Options

Figures as of close of trading Friday.

By 7:45 A.M., Mr. Klein was sitting with Mr. Ushijima and a dozen other workers in the meeting room for the bumper assembly team. Although their paid hours did not begin until 8 A.M., the

entire team was in uniform, ready to work, discussing the day ahead. "You may be thinking about your weekend plans, but have a safe day and don't relax," their group leader said. "Concentrate your minds!"

"Yosh!" Mr. Klein and the other workers shouted in agreement. With inspirational messages and warmup exercises finished — They're voluntary, but I haven't seen anyone not participate," one American worker said — the workers were in position before the starting bell sounded.

For two bours, the bumper as-sembly team and the rest of the factory workers toiled without rest, some of them literally running from task to task. Even when the

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working for a minute of two wants are working for a minute of two wants are workers.

"When I saw him, I thought be others gathered into small groups spiril of "mutual trust" into American years."

was very very big," said Mr. Ushifor further cheerleading sessions on jima, 44, and a Toyota employee safety and hard work.

"We are successful in the first

to the moment they walk out," said Elizabeth Fair, an engineer who left a military-related consulting company to work for Toyota. "The work ethic is so incredibly strong. I only hope we can live up to their standards."

In the eyes of some workers, there is a price to be paid for such discipline. Ronald Dore, the British sociologist, once wrote that "joining Toyota as a regular worker is indeed rather more like joining the army in America than like going to work for General Motors."

"You can expect to get 'posted' from one plant to another and even have to uproot the family as a con-sequence," Mr. Dore wrote. "You can expect to have your leave canceled in an emergency.

But, if workers object to such treatment, they cannot expect much belp from the company union, which sees its role mostly as a partner of the corporation dedicated to increasing productivity for the good of all.

So far, the American workers seem willing to accept that philosophy. Asked wbether the Kentucky workers would form a union, Mr. Everly said he boped not. "I don't think we'll need it." he

said. "I don't know wby we would." "Nothing they can do for you that Toyota isn't going to do,"
agreed his friend, David Downs. But Mr. Kusunoki, the Toyota

170 14-1- 15-16 17 Child of Fates 5

"These people simply do not step," he said. "I can say that they stop from the moment they walk in all have the basic understanding of the spirit, and they all basically agree to the spirit.

> "But once they start working at the plant, they may face some problems and they may raise some questions about the spirit," he add-However, Toyota is betting that the U.S. workers it trains will stay

long enough to make the program worth its while. The Americans in Toyota City said they have made a long-term

commitment, too.

when you could say shove this job, dominantly independent fran-and go find another one." Mr. chises. Coke's motivation was to Everly said. "You can't do that anymore. This is my last job." more efficient plant and equip-

cade, It is the third best-selling brand behind Coke Classic and Pepsi.
The three most important

things about the soft drink market today," said Jesse Meyers, publisher of Beverage Digest, "are Diet Coke, Diet Coke and Diet Coke." Coca-Cola believes its growth will continue to surpass the projected industry average of 4 percent for the next several years. By 1990, it hopes to boost annual per capita consumption of its products to 315

Much of Coke's domestic growth being driven by an overhaul of its bottling system. Beginning in 1981. Coke began taking equity positions mmitment, too.

in some of its largest bottlers,

"There was a time in America which historically have been pretien you could say shove this job," dominantly independent franprovide more capital to bottlers for

COKE: Pouring More Effort Into Overseas Markets

The trend came to a head in 1986, when Coke acquired two of ing the nucleus of what later was

same strategy to its international relationships with retailers, added operations, investing in bottling thousands of new fountain ac-operations and spending heavily on counts and increased sales of Coke plants and distribution systems, products by 31 percent last year, Britain, for example, had long

been a puzzle to Coke. Its per capita consumption was far lower than might bave been expected for an English-speaking country with thing franchises, but most had exclose cultural ties to the United States. Several years ago it decided two Coke bottlers in the United free to pursue its own marketing, Kingdom from Grand Metropolitan PLC and sending Harry E. Teasley Jr., who had previously ciencies. headed the company's divested

wine business, to run it. Mr. Teasley quickly determined down to 65 through mergers.

Coke forged a joint venture with Cadbury Schweppes PLC, the giant its largest bottlers outright, form- food and beverage company, to take over both Coke bottlers. Cocaturned into Coca-Cola Enterprises. Cola & Schweppes Beverages Ltd., Coca-Cola is applying much the as the venture is known, improved

> In Germany, Coke is still hampered by having far too many bottlers. After World War II. many entrepreneurs wanted Coke bothelped establish more than 120 distribution and pricing policies. That created nightmarish ineffi-

> In the last several years Coke has whittled the number of bottlers

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Quotable Solution to Friday's Puzzle

SPORTS BRIEFS

in the state's regional basketball tournament in Michigan City.

with 2,750 students, is one of Indiana's biggest high schools.

shot edge over Scotland's Ken Brown, who shot a 70.



in a game-winning situation. I hate fun in Pittsburgh. The manager and noon for a 7:30 P.M. game. coaches aren't worried about their

SPORTS

Ill, Angels' Mauch Takes Leave

By Mike Penner

Cinderella U.S. Basketball Team Bows Out NEW YORK (NYT) - Oregon-Davis, the Cinderella high school team from California Angels late Friday and Indiana, reached the end of the trail Saturday afternoon by losing to Portage, 74-71, returned to his home in Palm Springs, California, where he will Oregon-Davis, of Hamlet (pop. 640), finished with a record of 23-2. With half of remain indefinitely to undergo the boys in its senior class on the team, it had drawn widespread attention in its physical testing and, as he put it, quest for the state championship. The school has an enrollment of 231. Portage, "to get after it."

For more than a year, Mauch said, he ignored the warning signs
—sleepless nights, naps he sneaked Oregon-Davis had moved into Saturday's rounds as one of 64 teams still in coolention; the field was winnowed to 32 in the afternoon and to 16 Saturday night. in his office before road games, fatigue following plane flights, a persistent cough and general list-lessuess. Sindelar Leader by 1 Stroke in Honda Golf

He tried to chalk it up to age, to CORAL SPRINGS. Florida (AP) — Joey Sindelar birdied the 18th hole to take a one-stroke lead after Saturday's third round of the Honda Classic golf tournament. the strain of his quarter-century as a big league manager. "I've had Eight players had either led or shared the lead during the day before Sindelar times in the past when I've gotten rapped in the 8-font (2.5-meter) putt on the final hole. His 4-under-par 68 on the windswept TPC course at Eagle Trace gave him a 54-hole total of 206 and a one-

Replacing him for the moment as manager will be Cookie Rojas, the team's advance scout for the The group at 208 included Ray Floyd (a 68), Sandy Lyle (70), Tommy Nakajima

(71) and Ed Fiori (71). Tom Byrum and Jodie Mudd were at 209, three shots off the past eight seasons. The Angels stopped short of de-In addition to Sindelar and Brown, Nakajima, Fiori, Mudd, Lyle, Fred Wadsscribing Mauch's decision as a resworth and Dan Forsman all had a piece of the lead at one time or another. But Forsman faded to a 77 and finished at 214 and Wadsworth, who on Friday had pitched in for an eagle-2 that moved him into a six-way tie for the lead after two rounds, struggled in at 80-217. until we have reason to believe oth- kus Wasmeier. · Kirk Gibson, recently acquired erwise

from Detroit by the Los Angeles

Said Rojas: "Gene Mauch is still ist at the Olympics, hlew past Wasmost people. I don't expect everybody to be like me, ft kills me to fail

there's no reason for it to change."

Wasmeier, who had won four of body to be like me. It kills me to fail there's no reason for it to change." Wasmeier, who had won four of in a game-winning situation. I hate But the fact that Mauch left the 10 super-Gs held over the past

jobs or getting fired, the front office in the major leagues, the longest of people don't have a maniac running any active manager and fourth on gen, the overall cup leader, rearound firing you the minute you the all-time list. He owns the most bounded from poor downhill rearound firing you the minute you the all-time list. He owns the most bounded from poor downhill redrop a pencil."

(AP) victories, 1,903 (and 2,037 losses), sults to finish fourth in 2:46.26. But

of any active major league manag-er. He managed the Philadelphia self it would get better. A month

Medical Center in Rancho Mirage, to the desert and get after it. California. A heavy smoker, Mauch has been bothered by respi-ratory problems since the summer but by late in the month he was well Asked about his nagging cough scoffed at suggestions that he see a

ago, I haven't really felt worth a feel. But I don't think so."

MESA, Arizona — Gene Mauch removed himself as manager of the colifficient Association and the color of the colifficient Association and the color of the colifficient Association and the color of the c don't really know what has to be Angels. don't really know what has to the was scheduled for extensive done, and I don't know what it's testing Monday at Eisenhower going to take, but I'm heading back Mauch was referring to a case of

of 1986 but has consistently re-fused to undergo examination. said Rojas, he still seemed kind of worn out. He was feeling weak, he during the 1986 winter meetings, he wasn't walking right."
scoffed at suggestions that he see a Said Mauch: "I became con-

doctor. "Til never let the SOBs get vinced that I couldn't start feeling better and work as hard as I could close enough to look," he said.

But on Friday, he said: "Since at managing. Maybe when you're some time in August a couple years 62 this is how you're supposed to



Gene Manch

Piccard Wins Cup Super-Giant

Italy's Alberto Tomba, second to

BEAVER CREEK, Colorado ignation. General Manager Mike Franck Piccard of France duplica-Port, offering an admittedly opti-ted his Olympie success Sunday, mistic view, called it a leave of winning a men's World Cup super absence. "We're looking at this as giant slalom by 22-hundredths of a an interim situation," he said. second over the circuit's dominant "And we will handle it on that basis super-G skier, West German Mar-

Piccard, the super-G gold medal-

to lose."

(AP) camp is hardly a good indicator. three seasons, placed second in ference between working for the professional baseball, and those Luxembourg was third in 1:46.25. Pittsburgh Pirates and the New close to him describe him as a man- It was Girardelli's third consecu-York Yankees: "I had a lot more ager who arrives at the park at tive third-place finish here after noon for a 7:30 P.M. game. finishing in the same position in Mauch has managed 26 seasons downhills on Friday and Saturday.

Zurbriggen in the overall, kept the pressure on, finishing fifth in 2:46.42. Zurbriggen gained 12 points and Tomba added 11. leaving them with 236 and 224 points. best career finish, in 2:29.73. respectively. Austrian Leonhard Stock was

sixth in 1:46.69, and Swiss veteran Peter Müller, winner of Saturday's downhill, was seventh in 1:46.99.

Müller, on the circuit for 11 years and at 30 well past the age when most racers retire, started sixth Saturday. He said he knew when he was on the course that he was skiing faster than anyone before him. "I saw the tracks of the others off the jumps," he said, "and I was landing longer than them. I knew I was faster." He won in 2:25.75.

He described his performance as "a really great run" and said he had skied perfectly on the same course Friday to finish fifth.

race weathered out last week Canada, was won by another Swi Franz Heinzer, in 2:29.32. Chr tophe Pie of France was second le On Saturday, Michela Figini a Switzerland secured her hold in

the women's downhill title by win Columbia. The triumph virtually assures is gini the cup downhill title going in the seaon's final race at Saathach Austria, at the end of the most Figiri has 143 points, leading Out by 24. Oertli could win the title out if she finished first at Saulbach

Oertli and Figini also are in close race for the overall trile, Oertli ahead by three points. A women's super-giant states was scheduled for Sunday at Re Mountain.

Figini did not finish in the top 152

(UPI, AP)

RECARD

DENNIS THE MENACE



"I KNOW! LET'S BOIL ALLTHESE CRAYONS AND MAKE PAINT!

WEATHER

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WORLD STOCKS IN REVIEW / Via Agence France-Presse

the week as it continued to benefit from the Amsterdam Amsterdam stock prices rose slightly last week, supported by a fairly firm Wall Street and dollar. The ANP-CBS general index fin-

ished the week at 241.1, up from 238.0 the previous Friday.

Investors showed signs of new confidence in

the market, reflected in rising volume. On Mooday, prices opened fractionally lower because of a slightly weaker dollar. Interna-tionals led the slight losses, with the exception of Philips NV, which gained 0.50 guilders to 27.80 on news that the company was consider-ing joining forces with Carlo de Benedetti in the battle for Société Générale de Belgique. Thursday, gaining 0.50 at 29.50. On Friday, prices fell back moderately.

Frankfurt

Prices on the Frankfurt stock market rose slightly last week in cautious trading. The Commerzbank index finished the week at 1,392, up 3.3 from the previous Friday. Volume on the eight West German stock exchanges was 10.67 billion Deutsche marks,

down from 12.08 billion the previous week. The auto sector was irregular, BMW losing 6.50 DM and VW 12.50, while Daimler added 5.50. In electricals, AEG jumped 12 DM, and in the department store sector, Horten moved up 14 DM.

Hong Kong

Prices oo the Hong Kong Stock Exchange rose further last week, with the Hang Seng Index breaking through 2,500 points.
The index closed Friday at 2,595.45, its high

est since the October collapse, and 123.07 points up from the previous week. The broadcr-based Hong Kong Index gained 78.46 points to 1,697.72.

Dealers said the rise, centering on blue chips, was caused by similar increases on overseas exchanges and better market sentiment, with many leading companies expected to re-port good results for 1987 shortly.

London

Prices on the London Stock Exchange moved down last week, mainly because of the pound's rise past the 3 Deutsche mark harrier. The Financial Times 30-share index finished the week 28.8 points lower at 1,449.9.

The absence of intervention by the Bank of

England to halt the pound's rise was taken as a sign that the government had relaxed its mone-tary policy, dealers said. The rise, which is a threat to export competitiveness, worried markets all the more after a

statement at the beginning of the week hy Prime Minister Margaret Thatcher that lower interest rates to halt the advance in the pound would be inflationary and against government Hence the market fell back, with export-oriented shares, such as ICI and Glaxo, record-

ing the largest losses.

Milan

506,87 from 489.39 the previous Friday. Dealers said volume was good. The upward trend was led by Carlo de Benedetti's holding company, CIR, which gained 5.89 percent on

The Milan stock market was in an optimistic mood last week. The Comit. index rose to

financier's campaign to win control of Societé Générale de Belgique, Olivetti also rose, by 5.14 percent, and Sabandia, by 5.87 percent. Cofide managed just 1.57 percent, but Buitoni surged 14.2 percent.

Paris

A sharp drop in share prices on Friday led to a loss on the Paris Bourse for the week. The CAC index finished the week at 294.8, against 298.0 the previous Friday, though it had closed at 301.0 on Thursday.

Observers said the market was still extremenervous. One analyst said that "Paris does not amount to much for an investor in New York or Tokyo, and if they fear uncertainty, they get out."

Analysts said the coming weeks are likely to be "agitated," with political factors outweigh-

Singapore The Singapore stock market scored moderate gains during a week of uneven trading. The Straits Times Industrial Index finished the

week at 940.56 points, a gain of 19.96. Turnover for the week was high at 135.20 million units, valued at 250.7 million Singapore dollars. The most active stock was NOL. with turnover of 13.7 million shares, followed by NOL TSR 1993 with 11.01 million units and Sime Darby with 7.6 million.

Share prices rose sharply in midweek before falling Friday on uncertainty over the future of the United Malays National Organization, the major partner in Malaysia's coalition govern-

Tokyo

Share prices suffered their first setback in seven weeks on the Tokyo Stock Exchange last week in heavy trading.

The Nikkei stock average closed Friday at 25,543.73 yen, down a moderate 83.84 yen from the previous week. The market was closed Saturday. The average for 225 selected issues had gained 342.70 yen the week before.

Despite the week's fall, analysts said there ere no adverse factors in sight. The dollar was stabilizing at around 128 yen and foreign and institutional investors were seen shifting their funds to stock markets from short-term money markets.

One analyst said he expected that foreigners would cootinue buying Japanese stocks, helping to lift the Nikkei average to Oct. 14's alltime high of 26,646.43 yen sometime this

Zurich

Share prices were irregular in Zurich last week. The Credit Suisse index finished at 45g.4, down from 463.5 the previous Friday, 45g.4, down from 403.5 the previous rmosy, while the Swiss Bank Corp. indicator closed at 516.1, almost unchanged from 516.4.

Analysts said investors were worned about the dollar, which had fallen to 1.37 on Friday

from 1.40 Swiss francs at the end of the previ-ous week. Volume was substantial.

In banking, Union Bank of Switzerland gained 45 to 3,320 francs, while Credit Suisse was off 40 to 2,540. Insurances were also irregular, with Swiss Reinsurance Co. bearer losing 675 to 13,700 and Zürich Insurance Co. bearer tacking on 125 to finish at 5,800.

·PEANUTS

I MADE A MISTAKE, CHUCK I ADMIT IT ... LUCY IS THE worst player ive ever seen! YOU GOTTA TAKE HER BACK...















BEETLE BAILEY











WIZARD of ID



REX MORGAN





GARFIELD





SPORTS

Wyoming Keeps Crown in WAC

"Our game play was just to hammer the ball inside," said Benny Dees the Wyoming coach. "It's a intury when you can just throw the all up so high and score.".

The victory was Wyoming's ninth straight, improving its record to 26-5, the school's best since the 1951-52 team was 28-7. The Cowboys also gained a berth in the National Collegiate Athletic Asso-National Collegiate Annual Plans Plans Care Plans, 23-9, played with Teras-El Paso, 23-9, played wi

Miners, who upset No. 17 Brigham
Young on Friday night, were in the
game until the end, taking a 58-56
linead on a basket by Wayne Camp in he je pell with 8:37 remaining.

But Wyoming secred nine i jumper by Leckner with 4:01 left. 18, scored three points in the run.
In other conference tourna-

Pig East

Villanova 72, Pitt 69: in New
York, Mark Plansky hit a threeprinter with 58 seconds to play,
printer with 58 seconds to

Wildcats into the conference final general Syracuse on Sunday,
Syracuse 68, Seton Hall 63: The Drangemen, ranked 13th nationally,
ook their first lead since 2-0 on a hiving lay-up by Sherman Douglas with 4:06 to play and held on to beat icton Hall in the other semifinal. Pacific-10

Arizona 97, Stanford 83: In Tuc-on, Arizona, Scan Elliott had a cacer-high 32 points and No. 3 Arizon tied UCLA's 1972-73 conference ecord for most victories as the Wildcats beat Stanford and adanced to the conference final Sunlay against Oregon State.

Oregon St. 74, Washington St. Gary Payton scored eight of his oints in the second overtime as SU beat Washington State.

PROVO, Utah — Erie Leckner corred 22 points, including four kansas City, Missouri 99: In Kansas City, Missouri Stacy King gave No. 4 Oklahoma a 100-96 lead with 31 seconds left when be converted a three-point play, and the Sooners held off a Missouri rally to advance to the tournament title.

sas State took a 23-8 lead and coasted in the other semifinal.

Kentucky 86, LSU 80: In Baton Rouge, Louisiana, Eric Manuel hit two free throws with 33 seconds left to help the No. 6 Wildcats over Louisiana State in the semifinals. Georgia 72, Florida 70: Patrick Hamilton hit a three-pointer with 19 seconds left, leading Georgia

over Florida in the other game.

Affantic Coast

Duke 73, N.C. State 71: In
Greensboro, North Carolina, Danny Ferry's jumper with 1:45 to play snapped a 71-71 tie and No. 6 Duke held on to beat 11th-ranked North Carolina State.

N. Carolina 74, Maryland 64: North Carolina, ranked ninth nationally, got 19 points from J.R. Reid in the victory over Maryland in the other semifinal. Metro Athletic

Louisville 89, South Carolina 57: In Memphis, Tennessee, LaBradford Smith scored 21 points and Herbert Crook had 14 as Louisville cruised past South Carolina in the

Memphis St. 81, Florida St. 74: Dwight Boyd and Steve Ballard each had 17 points to help Memphis State advance.

SMU 96, Houston 76: In Dallas, Eric Longino and Kato Armstrong helped Southern Methodist hit 10 of its first 12 shots, and SMU rolled over Houston in the semifinals. Baylor 74, Arkansas 73: Robert McLemore's 15-foot jumper with 2:11 left lifted Baylor past Arkan-

sas and into the title game.

Midwestern Collegiate

Xavier, Ohio, 122, Detroit 96: In

Indianapolis, Byron Larkin scored

23 of his 38 points in the first half to lead No. 20 Xavier in its romp over Detroit for the league title. ECAC North Atlantic

Boston U. 79, Niagara 68: In Hartford, Connecticut, Tony Da- In Murray, Kenrucky, Jeff Martin conference tournament title.



Florida's Rounie Montgomery, in full swing, and Alec Kessler went to Round 2 after a collision four minutes into Saturday's game. Both were ejected; Georgia won the SEC semifinal, 72-70.

points to lead Boston University over Niagara for the league title.

Utah St. 86, UC Irvine 79: In Irans America
Inglewood, California, Kevin Nixon scored 19 points as Utah State beat UC-Irvine to win the Pacific of his 18 points after halftime, in-Coast Athletic Association title.

Mid-American E. Michigan 94, Ohio 80: In To-ledo, Ohio, Grant Long had 29 points and 12 rebounds to lead Eastern Michigan over Ohio in the conference final.

Costa scored a career-high 26 scored eight of his 22 points in the back Austin Peay to win the confer-

Trans America of his 18 points after halftime, inchiding the go-nhead basket in overtime, as Texas-San Antonio downed Georgia Southern to win the conference tournament,

Big Sky Boise St. 63, Montana St. 61: In Bozeman, Montana, a baseline layup by Chris Childs with three Ohio Valley seconds remaining lifted Bolse Murray State 73, Austin Peay 70: State over Montana State for the

Unwanted Child Grows Up, Loved by All

By Malcolm Moran

New York Times Service
NEW YORK — We'll hear about The Road to Kansas City until we've memorized every turn. Late Sunday, the selection and seeding of the 64 basketball teams for the 50th National Collegiate Athletic Associa-tion tournament, a process that once consisted of a few telephone calls, was again to be presented live on U.S. network television. The information would be placed in brackets to be instantly and passionately analyzed. And then dozens of young people would create the plot for the most recently embraced major U.S. sporting event.

Forty-nine years ago, the first tournament

a hastily arranged creation of the National Association of Basketball Coaches, lost \$2,531. Soon, the NCAA assumed the debt and responsibility for the second champion-When they took it from the NABC," said Howard Hobson, 84, the coach of the 1939 Oregon team, the first NCAA champions, "it was the greatest investment in the history of the world."

The 49 tournaments have produced gross receipts of \$270,253,387. The NCAA expects gross revenue of more than \$66 million for its 50th tournament, more than 85 percent of which will come from television. In the first year of a three-year, \$166 million contract with CBS, the four schools that reach the national semifinals April 2 each will receive \$1,153,700.

That successful investment is a product of the interest, developed over decades and the interest, developed over decades and shrewdly capitalized on in recent years, in youngsters who will head for places from Hartford, Connecticut, to Los Angeles in the hope of winning a championship halfway in between. The fortune built by their stories has been based upon their youth, upon beights and skills that have exceeded the dreams of those who introduced the game and upon the inabil-ity of those athletes to conceal their emotions.

From the most distant seats of the domed stadiums that have become necessary in an attempt to sanisfy the demand, players 7 feet (2.13 meters) tall may appear the size of insects. But through the lenses of the television cameras, they are bared to their shirts and shorts - and occasionally to their souls.

Theirs is an event that has struggled to survive the effects of a world war, two pointshaving scandals, violations that have voided the participation of teams up to a second-place finisher and the competition of a once more popular and prestigious National Invitation Tournament.

Drug testing was instituted for the 1987 championship, and this year, for the first time since 1971, participants are being asked to sign affidavits indicating they have not contracted with an agent. With fighting a more persistent problem, the NCAA set a new policy last week that would subject players to immediate suspensions for lights during tournament play.

But drugs and agents are not marketed much on the road to Kansas City. Missouri, at the start of an event that has been known to produce something for everyone.

Utah, the 1944 champion, was a sudden replacement for an Arkansas team that was in B car secident. The development of the dominant big man, such as George Mikan of DePaul and Bob Kurland of Oklahoma A&M, took place in the first decade. The arrival in the 1950s of Bill Russell of San Francisco, Wilt Chamberlain of Kansas, Elgin Baylor of Seattle and Oscar Robertson of Cincinnati, outstanding black players, changed the way the game was played.

In 1957, North Carolina survived six overtime periods in little more than 24 hours to preserve an undefeated season and overcame

Not so long ago, the tournament was the secret of a cult following that obtained its information through small syndicated television networks or radio broadcasts picked up in automobiles.

Chamberlain and the Jayhawks by a point to win the championship.

UCLA became a four-letter word to op-

posing coaches and players when Kareem Abdul-Jahbar was known as Lew Alcindor, Bill Walton's red hair was longer and the Bruins won 10 championships in 12 seasons

from 1964 through 1975. Even in hindsight, there has been the un-thinkable: North Carolina's Tommy Kearns, all of 5 feet 10 inches, was sent in for the center jump against Chamberlain. Twentyseven years later, in a more sober Carolina moment during a 1984 regional semifinal.

Dan Dakich, a reliable but hardly spectacular Indiana player, successfully limited Michael Jordan in a Hoosier victory over the Tar

Not so long ago, such moments were se-crets of a cult following that obtained its information through small syndicated televi-sion networks or radio broadcasts picked up in automobiles, The 1946 championship at

point-shaving scandal ruined the memory of a City College of New York championship and ended Madison Square Garden's role as the site of the final game. The field was doubled to 16 teams, including automatic

bids for the champions of 10 conferences. Walter Byers, executive director of the NCAA from 1951 until last year, has said that Homer Cooke, who began the organization's statistical service, had suggested the concept of the automatic bid. But Wayne Duke, the commissioner of the Big Ten Cunference. who then worked in the NCAA office, said

Byers turned the idea into reality.

"That was a cornerstone of the success of the tournament," said Duke, who served as chairman of the tournament committee from 1978 through 1981.

Into its third decade, the tournament faced a major perception problem. North Caroli-na's victory over Chamberlain in 1957 was observed by the most intense coverage the tournament had known - a TV network of Il stations, a 73-station radio network in Il states and 64 newspaper reporters. Eddie Einhorn, now the president of the Chicago White Sox baseball team but then a college senior who broadcast games for the campus station at the University of Pennsylvania, gave live reports that night in Kansas City. He spent several years trying to understand the regulations involving broadcast rights.
"They talked to all the networks," Einhorn

said. "Nobody wanted it. It was considered a That was before Einhorn paid \$27,000 for the right to syndicate the telecast of a 1968 intersectional game he called "a gimmick."

UCLA, with a 47-game winning streak, was facing Houston before a crowd of 52,693 at the Astrodome. The next year, NBC paid \$547,500 for TV rights and net income exceeded \$1,000,000 for the first time. By 1973, the NCAA moved the championship game from Saturday after-noon to Monday night prime time, and the television payoff exceeded \$1 million. The

final was seen by an audience of 39 million. Then changes came swiftly. A 32-team tournament, in 1975, allowed conference members other than champions to receive invitations over the objections of the UCLA athleuc director, J.D. Morgan, The field grew to 40 in 1979 and 48 in 1980. In 1981, teams were moved to regions outside their geo-graphical area to balance the strength of the field, CBS won the rights in 1982 with a three-

then grew to 52 teams in 1983, and 64 in 1985. In this decade, 11 of the 32 teams to reach a Madison Square Garden was telecast locally for the first time, but for the 21 tournaments through 1959, the NCAA lists a television revenue figure of zero.

But significant structural changes already had been made beginning in 1951, the year a

year contract worth \$48 million. The bracket

SCOREBOARD

U.S. College Results SATURDAY'S SCORES Alcrigon 93. Ottio St. 70 John Donne 72, Danton 39 Furdue 93, Minnesota 66 Viscosia 71, Michigan 51, 69

TOURNAMENTS ATLANTIC COAST CONFERENCE
First Round
Duke 60, Virginid 48
Maryland 84, Georgia Tech 67 L Carolino St. 79, Clemson 72 forth Carolina 83. Wake Forest (Doke 73, N. Carolina St. 71

BIG EAST CONFERENCE Pittsburgh 75, Connecticut 58 ve 71, St. John's 68 Syracuse 68, Seton Hall 63 Villanova 72, Pillsburgh 69

Konsos 74, Oklohoma St. 58 Konsos St. 75, Nebraska 70 . Semiflaats Kansas St. 49, Kaasas 54 Oklahoma 162, Missouri 99 .
BIG SKY CONPERENCE Boise St. 67, (dotto St. 56

Montona St. 50, 100 no St. 56
Montona St. 50, 100 no 46
Champiouship
Boise St. 61, Montono St. 61
PCAC OTVISION
- Semifinatis

Powling 72, C.W. Post 80 ECAC DIVISION III NEW ENGLAND

Basketball

ECAC NORTH ATLANTIC Boston U. 79, Nicoora 64 METRO ATHLETIC CONFERENCE · First Roun Florida St. 84. Cincinnati 74 Memphis St. 97, S. Mississippi 84 South Carolina 91. Virginia Tech 81 Semifipols

Looksville 89. South Carolino 57
Memohis St. In. Fiorida 51, 74
MID-AMERICAN CONFERENCE
Semtinals
E. Michigan 95, W. Michigan 85
Ohlo U. 44, Cent. Michigan 42
Chamelosthia E. Michigan 94, Ohla U. 80 MIDWESTERN COLLEGIATE

Semif Detroit 75. Evensyllie 74 rvier, Ohio 117, Leyola, IIL 79 Xovier, Ohio 122, Detroit 76 well 76, Assumption 65 w Haven 76, Quinniples 62

OHIO VALLEY CONFERENCE Semiripals Justin Peay 94, Middle Tern. 62 Nurray 51, 76, E. Kentucky 68

Cal-Irvine 74 New-Lea Vegas Utoh Si. 73, Santa Barbara 66 Utah St. 86, Cal-Irvine 79 PACIPIC-10 CONFERENCE

Oregon St. 60, Washington 61 Signford 88, Oregon 67 Washington St. 73, UCLA 71

EASTERN CONFERENCE WESTERN CONFERENCE

W L Pct. G8 41 17 A83 — 36 24 A90 4½ 35 24 593 S 32 28 541 8 22 37 373 15 18 43 295 23

FRIDAY'S RESULTS
Cressions

20 29 26 25—115
Biologistics
Biologistics FRIDAY'S RESULTS

Overterfiet Artzona 88, California 64 Oregon St. 80, Washington

Arizono 17, Stemioro 23 Oregon St. 74, Washingto

ational Basketball Association Standings Detroit 5é (Rodman 15). Assists: Phoenux to Hornocak 5i, Detroit 25 l'Thomas 0). New York 22, 31 34 28—115 Atlastic 22 31 32 26—122 D, Wilkins 17-34 6-8 40, Rivers 7-10 5-7 19; Cortwright 4-7 14-10 22, Newman 6-14 5-5 18, Jackson 6-13 6-8 18, G. Wilkins 8-20 2-2 18. Re-bounds: New York 57 (Jackson, Cartwright 9), Atlanta 44 Willis 61, Assists: New York 22 Lesting 13), Affonds 34 Liberts 13). 16 44 2ar / (visitor)

17 22 .627 3 | I.Jockson 11), Alaman | I.Jockson III), Alaman | I.Jockson III), Alaman | I.Jockson III), Alaman | I.Jockson III), Alaman | I.Jockson III, Alaman | I.Jockson III), Alaman | I.Jockson III, Alaman | I.Jockson I

Reynolds 11-142-224, Cummiuss 11-170-22; Rescaussen 6-13 9-10 21, English 8-19 3-4 19. Rehounds: Derwer 44 (Rosmussen 8), Alli-woukee 63 (Breuer, Presslev 10), Assists: Denver 24 (Adoms 7), Milwoukee 36 (Lucus 0)

SATURDAY'S RESULTS

SOUTHEASTERN CONFERENCE Florido & Tennessee à Georgia & Auburn & Kentucky & Mississipa

LSU 87, Vonderbitt 80 _ Georgia 72, Fiorida 70 Kontucky 84, LSU 86 SOUTHWEST CONFERENCE First Round:
Arkonsos 76, Texos ABM 64
Boylor 54, Texos Yech 53
Houston 72, Texos 57
Southern Meth. 86, Texos Christian 74
Semitinals

Semifinals
Boylor 74. Arkonsos 73
Southern Meth. 98. Houston 76
TRANS AMERICA CONFERENCE cas-Sap Antonia 101, Ark-Little Rock 75 Championship

WESTERN ATHLETIC CONFERENCE Semifluois Texas-El Poso 66, Brigham Young 43 ing 60. Cotorodo SI. 58 Wyoming 77, Texas-El Paso 75 ...

Tennis

MEN'S TOURNAMENT
(At Lake Boens Viste, Floride)
Schriftinals
Miloslav Medr (2), Cacchoslovakia def. Dovid Pate, U.S. 7-8 (10-81, 57, 6-0.
Andrei Chesnokov, Saviel Union, def. Jav
Berger, U.S. 7-8, 6-2, 6-1.
Pinal
Chesnokov def. Medir, 7-6 (8-6), 6-1.
WOMEN'S TOURNAMENT
(At Boca Ratus, Floride)
Guarterfinals
Sheffl Graf III, West Germany, def. Pascale
Paradis, France, 6-1, 6-2.
Pan Shriver (31, U.S., def. Gigl Fernandez,
Puerto Rico, 1-6, 7-5, 7-5.
Chris Evert (2), U.S., def. Sandro Cecchini
171, Italy, 6-1, 6-1.

Schottni (4), Argenting, det, Mary ernandez |11|, U.S., 7-6 (8-6), 6-3. Sabatini del. Evert. 6-1, 7-5. Graf del. Shriver, 6-4, 4-6, 7-6 (7-5).

World Cup Skiing

MEN'S DOWNHILLS (At Beover Creek, Colorado)
Friday
Franz Heinzer, Switzerland, 2:79.72
Christophe Pie, France, 2:29.73

2. Christichte Piv, France, 2:29.73.

Amer: Girondelli, Luxemboure, 2:30.47.

4. Michael Mair, Haity, 2:30.54.

5. Peter Müller, Switzerland, 2:30.82.

4. Rüb Baydo-Comodo, 2:30.82.

7. Robble Basinger, Conodo, 2:31.71.

8. Doniel Maar, Conodo, 2:31.71.

9. Armin Assinger, Austria, 2:31.50.

10. Donield Stevens, Conodo, 2:31.92.

Saturday

Saturday

10. Donald Stevens, Conado, 2:31.92 Saturday 1. Peter Müller, Switzerfand, 2:21.75 2. Donald Stevens, Conado; 2:26.26 2. Marie Girardelli, Luxembourg, 2:26.49 4. Peter Wirnsberger, Austria, 2:26.81 5. Rob Boyd, Canado, 2:26.89 6. Michael Mair, Italy, 2:27.00 7. Christophe Pie, France, and Felix Bei-vit. Connote, 2:27.12

erylic Canadia 2:27.12

7. Franz Heinzer, Switzerland, 3:27.13

30. Phillippe Verneral, France 2:27.23

OVERALL, MEN'S STAMBINGS

7. Pirrula Zurbrissen, Switzerland, 224

soints; 2. Alberto Tombo, liaity, 213; 2. Hubert

Styolz, Austria, and Günther Moder, Austria, 113; 5. Markus Wasmeler, West Germany 107; 6. Michael Mair, Italy, 96; 7. Marc Girar defil, Luxembourg, 92; 8. Fronz Heinzer, Switeritmid, 89; 9, Rata Bayd; Canada, 84; 10, Het

it Mayer, Austria, 76
WOMEN'S DOWNHILL
(At Rossland, British Columbia)
1, Michel Figlol, Switzerland, 1:42:41
2 Brigitte Oerill, Switzerland, 1:43:47 2. Strighte Certi, Switzerland: 1-3-35. 2. Veranika Wallinger, Austria, 1:43:67. 4. Katrin Gutenschn, Austria, 1:43:61. 5. Karen Percy, Canada, 1:43:61. 6. Petra Kranberger, Austria, 1:44:07. 7. Kerrin Lee, Canada, 1:44:33. 7. Kerrin Lee, Conodo, 1:44:31.
8. Christine Zongeri, Austria, 1:44:50.
9. Elisabem Kirchler, Austria, 1:44:51.
10. Lucis Larache, Conodo, 1:44:51.
10. Lucis Larached, 219: 3. Vreni Schneiter, Switzerland, 219: 3. Vreni Schneiter, Switzerland, 219: 4. Antho Wochler, Austria, 167: 5. '9konoo, Fernandez-Ochou, Spoin, 158: 6. Mario Wolliser, Switzerland, 142: 7. Marielo Svet, Yupostavio, 120: 0. Koron Percy, Canado, 164: 9. Cotherine Guittel, France, 100: 10. Sperid Wolf, Austria, 9

Hockey NHL Standings Shetoni 4-10-11-23.

Shetoni 4-10-11-23.

And Fay warned that his constance (26), Jonney 3 (4) if Goutet 137), Cillis (7), Duchesine (20), Sheton ation contest starts off San Diego in Six months.

Fay's Commondated the chub's latest decision had left the Kiwi challengers of this year at San Diego we will sail the constance of the conformation contest starts off San Diego in six months.

Fay's Commondated that his constance (26), Jonney 3 (4) if Goutet 137), Control of the proposal.

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Fay said the club's latest decision had left the Kiwi challengers confused. "But in September of this year at San Diego we will sail the constance of the proposal.

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Fay's Commondated (26), Jonney 3 (4) if Goutet (37), Control of the proposal.

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Fay said the club's latest decision had left the Kiwi challengers confused. "But in September of the proposal confused (37) in the club's latest decision had left the Kiwi challengers.

Fay said the club's latest decision had left the Kiwi challengers.

Fay said the club's latest decision had left the Kiwi challengers.

Fay said the club's latest decis WALES CONFERENCE Washington 35 28 NY Islanders 33 28 NY Rampers 30 31

SATURDAY'S RESULTS New Jersey 3 2 1—6 Phikadelphia 2 1 2—5 O'Callahan 16), Verbeek (39), Johnson 114). Kurvers 2 14), Loiscile (13); Croven (25), Huffmon 2 (5), Huber (0), Sinisala (20), Shots on gost: New Jersey (on Hextall, La Forest) 13-8-6-27; Philodelphia (on Burke) 3-11-13-

Smythe Division
41 21 0 90 340 267
43 23 9 85 315 249
31 29 10 72 266 266
5 25 40 9 56 267 315
21 43 0 50 242 272
playoff berth) Innocak 3 110), Leeman (27), Otzyk (37), Gill (7); Graham (17), Valve (40), Larmer 133), Graham (18), Shots an goel: Chicago Ion Wregget) 15-13-17-45; Yoranfo Ion Pong) & te) 3-11-13- Calgory Neuwendyk 2 (50), Berezon 2 (7), Loob 3 2 1 0-3 1431, Churin (1), Yoneill (15), Mullon (32); 12 3-6 Nopler 2 (7), Tucker [14], Shets on seal; Butscheld 2 (2), folso in Vernonj 14-7-7-28; Colsary ion Barrosso)12-23-10-45.

WEST GERMAN FIRST OTVISION
Stuffoot 1, Werder Bremen 0
Hombure 2, Hombure 1
Waldhof Mannhelm 0, Nurembers 1
Bayern Munich 1, Bor. Monchestiadbach 0
Borussia Carimund 3, Eintrachi Frankfurt 1
Kotserslaufern 1, Korfsruhe 1
Boyer Leverkusen 1, Cologne 1
Points: Werder Bremen 37; Boyern Munich
35; Cologne 32; Nuremberg 26; Stuffgart, Borussia Manchenslodbach 26; Boyer Leverkusen 22; Einfrachi Frankfurt, Hamburg 31;
Honover, Borussia Dorfmund, Kalserslautern 19; Waldhof Mannhelm, Kortsruhe 18;
Schalke 17; Bochum 16; Bayer Lierdingen,

36: West Hom, Chelseo 33; Derby, Ports-mouth 30; Charleo 28; Oxford 26; Waiford 23, ITALIAN FIRST OLVISION

Transition

CHICAGO-Agreed to terms with Bobbs hippen, pitcher, on a one-year TEXAS—Signed Cesar Cedeno

PITTSBURGH-Seni Stan Fonsier, pitch er: Skenter Bornes and Bill Merrifield, In-fielders, and Mark Merchani and Tam Roma-na, outfielders, to its minor league comp for FOOTBALL Noticeal Football League OENVER—Named George Hershaw offer

National Hockey Largue
LEAGUE—Suspended Los Angeles center
Bernie Nicholis five yamns for a match penalfy received in a game March 9 against Hart-N.Y. ISLANOERS—Assigned Chris Pryor, defensement to Kalamazoo of the Internation

(on Casey) 12-7-21—40; Minnesota Ion Pic-trangela) 8-16-13—37. Detroil

European Soccer

Ceseno 2. Sampdaria 0
Como 8. Roma 1
Empozi 0. Napoli 0
Inter Alian 2. Pisa 1
Pescaro 1, Fiorentina 1
Torina 1, AC Milan 1
Verona 2, Ascoli 7
Polints: Napoli 36; Alian 22; Roma 31;
Sampdoria 26; Inter Milan 24; Verona 23;
Torina 22; Juventus 21; Cesena 20; Fiorentina, Pescaro 19; Pisa 11; Ascoli, Camo, Aveilina 15; Empoli 13.
SPARISH FIRST DIVISION
Real Maddrid S. Athletic Bilbon 0

Arsanol 1. Nottingham Forest 2 Luters 1. Portsmouth 1 winnojecom 2. whitero it Politis: Liveracol 72: Manchester United 51: Everton 53: Nottinham Forest 52: Arsend 51: Queens Park 46: Withbliedon 45; Totlenham 42: Laten 31: Swithburghon, Newcosile, Sheffleid Wednesday 37: Norwich, Coventry

Exhibition Baseball

Real Sociedad I, Sobodell Valladolid D, Atletica de A Betis 3, Ceita I Osasuna 1, Sevilla 3 Giljan 2, Valencia 2 Murcia D, Mallorco 0 Los Palmas 1, Codiz D.

FRIDAY'S RESULTS Cincinnati 11. Karsas City 2 N.Y. Mets (ss) 8. Mantreol 2 Sl. Louis 7. Philadelphia 4 N.Y. Méts (ss) 2. Atlanta 1 on 6. Detroit 7 Toronto 9, Minnesota 1
Pittsburgh (ss) 2 Houston 1
Texas 4, Pittsburgh (ss) 3
Chicogo White Sox 4, N.Y. Yonkees 2 Colifornia 14, Milwaukee 3 Ookland 18, Chicago Cubs 5 San Francisco 5, Seattle 3 Cleveland 4, San Diego 3 Los Angeles 18, Baltimore 8 Konsos City 6 Issi, Boston 3

SATURDAY'S RESULTS

N.Y. Mets 13, Philodelphi Houston 13, Beston 3 Los Angeles 2, Atlanta 0 Toronio 4, Yexos 2 Konsos City & Si, Louis 2 N.Y. Yorkees B. Minnesoto 4 Chicago White Sax 3. Pittsbur Chicago Cubs 5. Milwaukee 3 San Francisco 3. San Olego 2 othersentation to the management of the large with a sistent cook for the remainder of the season. PITTSBURGH-Resolted Dave McElwoin, forward, from Muskegon of the International Oakland Issi & Cleveland Iss) 5 Collifornia II, Seattle 3

Fay, Cup Defenders Remain at Odds

AUCKLAND, New Zealand — launch challengers.

(on Cosey) 12-7-21—401 Minnesoto Ion Pictropolo 8-16-12—37.

New Zealand syndicate head Mitorio But Fay insisted that before any chael Fay on Sunday criticized the San Diego Yacht Club's refusal to the squared to in principle, After the same rules, excluded all other states are in the same rules, excluded all other than the same rules, excluded all other than the same rules are rules. Excluded all other than the same rules are rules are rules are rules. In a compromise offer made last

prepared to continue negotiations line it forfeits the cup. We will not the Australia early last year. for a multinational regatta in 1989. The San Diego Yacht Club instead

The turnabout came a day after defense of the cup when his charter the SDYC asked Fay to meet them lenge, based on literal interpretations of the America's Cup deed of we weren't stonewalled last time with the specified on his pro-

1989 to allow other countries to York Supreme Court last November. The San Diego Yacht Club

fender Kookaburra III off Freman-

race against anything else."

"Conner and the Americans
The SDYC intends to race with a seem intent on starting the race

Nets Fined \$25,000 in Drug Case

NEW YORK - The National Basketball Association, despite rejecting former New Jersey Coach Dave Wohl's assertions that he had advised team management of the existence of drug paraphernalia in Orlando Woolridge's training camp hotel room, fined the Nets \$25,000 late Friday for failing to advise the

league office of the incident.
The NBA investigation concluded that Wohl was the only person who either recalled seeing drug gear in the room or recalled having reported it to the team's management. Wohl, fired as coach on Dec. 9. claimed he told management he had found evidence last Oct. 16 of possible drug use after finding Woolridge's hotel room in disarray. Four months later, Woolridge, 28. admitted his problem.

The Nets acknowledged that Wohl told them about an incident in Woolridge's room but denied he menuioned anything about drugs or drug paraphernalia. The NBA concluded that the tean was concerned enough about the incident to question Woolridge and inquire whether the incident was drug-related.





FEATURED SOLIST - Jon Sanders acknowledged a cheering welcome Sunday when he sailed into Freemantle, Australia, after completing his record-setting third single-handed circumnavigation of the globe. Aboard the 45-foot sloop Parry Endeavor, Sanders made the circuit in 658 days.

The Rising Star of Anne Sinclair

DARIS - Glossy posters. plangent slogans, photo op-portunities and political rallies that might have been staged by David Bowie: the consensus is that the coming French presiden-tial election will be short on issues cialist party thief Lionel Jospin and long on media effects.

Already voters have seen Raymond Barre in a rather hairy brown jacket which, everyone agreed, changed his image and made him tres relax; they have already approved Jean-Marie Le Pen's new backswept hairdo,

MARY BLUME

which gives him an intimation of a forehead; and they have seen a manfully chummy Jacques Chirac endorsed in ads by such figures as Paul Bocuse and Gregory Peck. "J'admire cet homme," Mr. Peck explained in the headline,

Like semiologists, voters have studied the slogan "Generation Mitterrand" and they have agreed, with the Paris daily Liber-auon, that the election will for the polls, baving been voted woman of the year in 1986 and No. 9 on a first time be decided on television.

Two of the top TV showcases for candidates and party leaders are "Sept sur Sept," a Sunday night recap of the week's news commented on hy a distinguished guest, and 'Questions à Domicile," in which the subject uneasity invites the camera into his or her home. Both programs are on the recently privatized TF1 and both are chaired by French television's personality of the moment, the sharp and relentlessly affable Anne Sinclair.

"One must be modest," Sinclair said in her office, "tt's not-me or the show. It's that for the first time television is so important and so people want to be on shows that have the highest ratings and peak viewing time." Her shows have both.

Before Prime Minister Jacques Chirac went on "Questions à Domicile" on March 6, Le Monde stated that Chirac counted on the program to quicken his campaign. Next day his appearance was counted a success, Ratings were a high 30 percent and Chirac came

sive. One thing about him that's sympathetic is that when he is

moods don't bother me as long as I can do my job."

In eight days last month Anne Sinclair had a total of four hours of air time with three programs on Barre (it was for her that he wore and the former minister of culture Jack Lang. This month she will do even more: four programs within eight days, one of them - with luck and persistence — François Millerrand's first program after :: announcing his candidacy.

"And after that, the rest home," she says. During the actual campaign she will concentrate on interviewing cultural and intellectual figures, having already done the politicians.

"ti's hard for me, I'm not someone who just goes on camera. I do a lot of work," she says. She worries slightly about overexposure "people get tired of you if you are seen too much" - although she consistently comes high in recent poll of French Men and Women Who Count.

This Woman Who Counts is good looking and smart, known for her fuzzy pullovers from Anny Blatt or Missoni and the smile with which she ends each question, no matter how sharp. She is complaisant in the sense that she gives her subjects ample room in which to navigate, and sometimes drown, and she is totally assured, having done her homework and knowing that a male guest who is rude to her will dent his image with the viewing public. On "Questions à Domicile" she is partnered hy Jean-Marie Colombani from Le Monde, hut the star

She dislikes the word star and knows how quickly a star can fade. She looks on herself as a journalist, a profession that began to intrigue her during the Algerian war, when she was to. She worked in radio, at Europe 1, hroadcaster Ivan Levai [they have two smalt sons who are allowed only 30 minutes of TV per night]. and early on in her TV career she "He's made progress," Anne nurned down the plum job of an-Sinclair says. "He's less aggres- chorwoman on the evening news to be with her children.

is unquestionably Anne Sinclair.

"Also, I thought it would be



French TV's Sinclair: "Politicians' moods don't bother me."

product oneself rather than be the locomotive of a train heading toward the station. And I would not have been in charge. It's interesting to be the editor in chief of your news show and not just the

mouthpiece. She took degrees in political science and administrative law. "I always liked public affairs in the Latin sense of the res publica. Pierre Mendès France gave me the taste for it."

She met the former prime minister at the end of the 1960s and wrote for his newsletter, "Above all I got to be with him, to know him, to love him. He gave me the taste for public service, for civics where she met her husband, the and morality. He didn't give me a taste to go into politics — which I wouldn't have liked — but to observe and analyze it, Journalism gives me a chance to see and to understand, to be the link, the mediator, between the citizen and the event.

Anne Sinclair was born in New sympathetic is that when he is "Also, I thought it would be Anne Sinclair was born in New cross he shows it. Politicians' more satisfying to build up a York in 1948, ber family having

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sought refuge there from the Nazis (they returned to France when she was three). She has been attacked by the Far Right for being Jewish and her "Questions a Do-micile" interview with the National Front leader Jean-Marie Le

"To question him was an effort, which is not how I feel with other politicians because I like politicians. In France they are of exceptional caliber. I think in compariwith other countries, the United States for example, we have a formidable classe politique.

Here it is a tradition. I think in the United States it is thought more noble to be an intellectual or a researcher or a successful busi-

ticians' nobility or cowed by the fact that until privatization French television was in the hands of the reigning govern-ment, French TV journalists have tended to be meek.

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more democracy at play — the politician explains himself, lets himself be pushed around, the game is much more real. In France the government in power ran the news and it has taken a long time to break free." government pressure has gone, it has been replaced by pres-

have the reverence we have, that I

try not to have. There is much

sure from the ratings.

"That's something you are used to in America and that I don't take to well. We must avoid being reduced to a system that judges us only in the present. Television people have no past and no one cares about their future. The only thing that matters is that they be immediately cost effective. That's horrible."

In June Anne Sinctair will drop Questions à Domicile" to return in the fall with a new, undetermined format. She intends to fight if necessary to remain in prime time.

"People like a show if it's good. They don't if it isn't. The roof is that we ended the Chirac program with a record-hreaking audience." After her broadcasts, Anne Sinclair sits around and chats with her guests over a drink (the only exception was the Le Pen program where she was gone five minutes later). "It's a really good moment, a relief, it's like after a test at school." Her best posishow memory was early in ber career on a public affairs program with tiny ratings and such distinguished guests as Pierre Mendès France. One of the other guests that night was a young student who asked Mendes France why did you not stay in power and hring us to power with you.

"I remember that after everyone had left, Mendès stayed and talked to that boy for a good quarter of an hour explaining that be had always told the truth to the country, 'the truth as I saw it. even if it upset people or shocked them, and I always did it for the good of the country and not for

the good of my career.'
"And all that to convince one young man. That's what I liked about Mendès - the force of argument even if it was useless and no one was listening, the convic-tion, the sincerity, the rigor, the morality. There isn't another one "American journalists don't who would do that. Not one,"

LANGUAGE

Let's Return to the Point

By William Safire

WASHINGTON — High up in the scenery of fanguage, in his fair among old mental sets, lurks the Phantom of the Phrases, ready to hurl down a chandelier on some speaker who dares cross his

In Act 2 of "The Phantom of the Opera," the hit musical drama by Andrew Lloyd Webber and Charles Hart now on Broadway, the Phantom enters disguised as Don Juan and sings a song titled "The Point of No Return." Like a fate defied, he warns of going "past the point of no return - no backward glances; the games we've played till now are at an end."

The novel on which the musical is based was written in 1911. Point of no return is an aviation phrase and came into use long after the era of the Phantom or any of his terrified friends. It is the best example of anachronism now on Broadway, and bids fair to rival Shakespeare's line in "Julius Caesar," spoken by Cassius, "The clock hath stricken three," set in Roman times, probably before the invention of clocks that struck the hour. (I say "probably"; debate rages on

My point means "the place in an aircraft's flight at which it will no longer have enough fuel to return." The first use so far spotted is from the 1941 Journal of the Royal Aeronautics Society, which puts the term in quotation marks, always a hint that the writer thinks it was used earlier: "This three-engined operation data is used to determine our so-called 'Point of No Return.' Laymen are inevitably intrigued by this fatalistic expression. As a matter of fact, it is merely a designation of that limit-point, before which any engine failure requires an immediate turn around and return to the point of departure, and beyond which such return is no longer practical."

The first figurative use of the phrase is in Eric Hodgins's 1946 novel "Mr. Blandings Builds His Dream House," in which the author wrote of the delight of dying of old age in a rented apartment, "but he had reached and passed the crucial mark known, in the poetic language of the air navigator, as the Point of No Return.

The colorful, doom-laden phrase now means "the critical moment or point in a course of action at which commitment has become irrevocable." It sounds as if it might have been rooted in a previous century.

CAN you imagine the delight of a pop lexicogra-pher when presented with a new four-volume dictionary of economics? If there is one thing the world of words has long needed, it is an "Oxford English Dictionary for Economists," a place where we can take some delight in what is too often derogated as the

dismal science. Learned students of the economics dodge — once called "political arithmetic" — have reviewed these tomes (named for the British banker Robert Harry Inglis Palgrave; priced at \$650) in terms of substance

and ideas. I went through it for the fun terms.

Kuznets swings immediately caught my eye. This is no stern or admiring comment on the moral laxity or playfulness of Simon Kuznets, who died only a few years ago, but a description of his variation on economic growth cycles.

Nor is the golden rule what it seems to most outsiders. To Bible readers, this is "Do unto others as you would have them do unto you," and to polifical

hatchetmen, it has been changed to "Do unto oil before they do it unto you : in economics, it is before they do it unto you. In economics, it is golden rule of capital accumulation, which, according the new Palgrave, "states that the steady growth it that gives the maximum path of consumption." the one along which national consumption equals national wage bill and thus national saving emporties. How does this relate to Chris's man The choice of the rights to assert is subject to reciprocity or cost constraint, which is a useful the for otherwise one would demand the most extre

sacrifices of others. Not light stuff, but try this other archaic referen beggar thy neighbor. Joan Robinson, one of the re tively few female economists who make it big in f dictionary (she's the corner of bastard Kernenamen defense of Lord Keynes from those who would me or bastardize, the meanings in his murky writing wrote "Beggar-My-Neighbor Remedies for Line ployment" in 1937. This is a description of tea policies during the Depression, under which one on try would try to improve its lot at the expense

Beggar-my-neighbor was a children's card game the 1700s; the earliest written citation is in 17 applied to adults: "The Lawyers play at beggar Neighbour." It's often used in association with more current zero-sum, the economics game at with nobody wins except at the expense of somebody el

HERE'S a flip-flopper over here," charged the chael Dukakis, pointing to Richard Gephardt, addition not a flip-flopper or back-flopper. Although Massachusetts governor unnecessarily introdu back-flopper — a dive in which the unfortunate di lands on his back, also called a back-whopper, oppos of a belly-whopper — the Dukakis use of flop-flop was vintage American political vituperation.

A century ago, a politician was called "the Flor flopper" by an alliterative opponent, and the words used in its reduplicative form to mean "somersault" George Lorimer in 1902: "When a fellow's man flip-flops up among the clouds, he's naturally going have the farmers gaping at him."

Ridicule is one of the central goals of reduplicat (which is a redundant word, but I can't fight e-battle). The grammarian Randolph Quirk has no that the technique can be used to imitate sounds to wow. ha-ha), to intensify (hptop, teen)-weeny), to sig fy alternation (zigzag, seesaw), or to disparage (mu jumbo, wishy-wash), higgledy-piggledy—and now, j

Just as one man's consistency is another me rigidity, one man's flip flopping is another man's on tunity to grow when circumstances thange. That's we Richard Nixon told me one day in 1971 — "circustances change" — and I was assigned to wind speech closing the gold window, putting on a bottom of the circumstances. tax, stapping on wage and price controls - all in a was remarked as the most stunning flip-flop of

Where does flip come from? The word was orizing ly fillip, the curl of the thursh against the index fir building the pressure to project a coin into the Now a fillip means "a snap of the finger," we campaign aides flip their lids at charges of flip-fice New York Times Service

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